

THE NATIONAL ARCHIVES
LITTERA
SCRIPTA
MANET
1934
OF THE UNITED STATES

FEDERAL REGISTER

VOLUME 2 NUMBER 188

Washington, Wednesday, September 29, 1937

TREASURY DEPARTMENT.

Bureau of Internal Revenue.

[T. D. 4763]

STAMP TAX ON PASSAGE TICKETS

EXEMPTION OF PASSAGE TICKETS BETWEEN THE CONTINENTAL
UNITED STATES AND PUERTO RICO

[Regulations 71, amended]

To Collectors of Internal Revenue and Others Concerned:

The Act approved August 28, 1937 (Public No. 400, 75th Congress), entitled "An Act to amend the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the continental United States from the payment of a stamp tax on steamship tickets", provides, as follows:

"That subdivision 5 of schedule A of title VIII of the Revenue Act of 1926, as amended by section 442 (a) of the Revenue Act of May 29, 1928, be, and hereby is, amended by striking out the word 'or' before the word 'Cuba' and by adding the words 'or Puerto Rico' after the word 'Cuba'."

In conformity with the provisions of the Act above quoted, articles 55, 58 and 60 of Regulations 71, approved July 16, 1932, are amended to read as follows:

ART. 55. *Passage tickets to Philippine Islands.*—Passage tickets to Philippine Islands are taxable.

ART. 58. *Passage tickets to ports not in the United States, Canada, Mexico, Cuba, or Puerto Rico.*—(a) Passage tickets from any foreign port or domestic port sold or issued in the United States costing more than \$10, whose port of destination is not within the United States, Canada, Mexico, Cuba, or Puerto Rico, are subject to tax.

(b) Such passage tickets sold or issued in the United States to a port in Newfoundland are subject to tax.

ART. 60. *Passage tickets to ports in the United States, Canada, Mexico, Cuba, or Puerto Rico.*—Passage tickets sold or issued in the United States for passage to ports of destination in the United States, Canada, Mexico, Cuba, or Puerto Rico are not subject to tax unless sold or issued in the United States as a round trip or through ticket for a port not within the United States, Canada, Mexico, Cuba, or Puerto Rico.

This Treasury Decision is issued under the authority contained in section 1101 of the Revenue Act of 1926.

[SEAL]

GUY T. HELVERING,

Commissioner of Internal Revenue.

Approved, September 25, 1937.

ROSSELL MAGILL,

Acting Secretary of the Treasury.

[F. R. Doc. 37-2890; Filed, September 28, 1937; 10:55 a. m.]

[T. D. 4764]

RECORDS AND TRANSCRIPTS OF WHOLESALE LIQUOR DEALERS
INCLUDING RECTIFIERS, DISTILLERS, PROPRIETORS OF INTERNAL
REVENUE BONDED WAREHOUSES, TAXPAID BOTTLING HOUSES,
AND TAXPAID PREMISES, AND IMPORTERS

To District Supervisors and Others Concerned:

Pursuant to the authority conferred by Section 3318, R. S., as amended by Section 411, Liquor Tax Administration Act (U. S. C., 1934 ed., Supp. II, title 26, secs. 1208 and 1209), Section 62 of the Act of August 27, 1894, as amended by Section 412, Liquor Tax Administration Act (U. S. C., 1934 ed., Supp. II, title 26, sec. 1210) and Section 3317, R. S., (U. S. C., 1934 ed., title 26, sec. 1206), the following regulations are prescribed, effective October 1, 1937.

1. Every wholesale liquor dealer, with the following exceptions, shall keep Record 52, "Wholesale Liquor Dealer's Record", and render monthly transcripts, Forms 52A and 52B, "Wholesale Liquor Dealer's Monthly Report", and Form 338, "Wholesale Liquor Dealer's Monthly Report (Summary of Forms 52A and 52B)":

(A) REGISTERED DISTILLERIES AND INTERNAL REVENUE BONDED WAREHOUSES

2. Every proprietor of a registered distillery and of an internal revenue bonded warehouse shall keep a daily record and render monthly reports on Form 52C, "Monthly Record and Report of Registered Distillery and Internal Revenue Bonded Warehouse", of all bulk distilled spirits shipped from the distillery, and all bulk and bottled-in-bond distilled spirits removed from the warehouse.

3. Where the distillery and the internal revenue bonded warehouse are located on the same premises, only one record on Form 52C will be required. Such record may be kept at the distillery or at the internal revenue bonded warehouse.

4. Removals of distilled spirits from the cistern room for deposit in the internal revenue bonded warehouse on the same premises, need not be reported on Form 52C. However, removals of distilled spirits from the cistern room for deposit in an internal revenue bonded warehouse not located on the distillery premises shall be reported by the proprietor of the distillery on Form 52C.

(B) TAXPAID BOTTLING HOUSES

5. Every proprietor of a taxpaid bottling house shall keep a daily record and render a monthly report on Form 52D, "Monthly Record and Report of Taxpaid Bottling House Operations", of all distilled spirits received, bottled, and disposed of at his bottling house.

(C) TAXPAID PREMISES AT WHICH DISTILLED SPIRITS OR ALCOHOL ARE SOLD IN BULK

6. Every proprietor of a registered distillery, a fruit distillery, an internal revenue bonded warehouse, or an indus-



Published by the Division of the Federal Register, The National Archives, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. L. 500), under regulations prescribed by the Administrative Committee, with the approval of the President.

The Administrative Committee consists of the Archivist or Acting Archivist, an officer of the Department of Justice designated by the Attorney General, and the Public Printer or Acting Public Printer.

The daily issue of the FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for \$1 per month or \$10 per year; single copies 5 cents; payable in advance. Remit by money order payable to Superintendent of Documents, Government Printing Office, Washington, D. C.

Correspondence concerning the publication of the FEDERAL REGISTER should be addressed to the Director, Division of the Federal Register, The National Archives, Washington, D. C.

TABLE OF CONTENTS

Board of Governors of the Federal Reserve System:	Page
Discounts for and advances to member banks by Federal Reserve banks (Regulation A)	2332
Department of Agriculture:	
Agricultural Adjustment Administration:	
Agricultural conservation program, 1937:	
North central region, Supplement No. 4	2304
Cotton price adjustment payment plan, 1937; definition of date of sale	2303
Sugar Act of 1937, allotment of the quota for Puerto Rico	2303
Bureau of Biological Survey:	
Upper Mississippi River Wild Life and Fish Refuge, order permitting hunting	2306
Farm Security Administration:	
Loans to individuals for rural rehabilitation	2309
Department of Commerce:	
Bureau of Marine Inspection and Navigation:	
Load lines, amendments to existing regulations	2309
Supplement 1, Section A—Merchant vessels of 150 gross tons or over when engaged in ocean voyage	2309
Supplement 2, Section B—Regulations for variance of load lines for steam colliers, etc., coastwise and inter-island voyages	2316
Supplement 3, Section C—Merchant vessels of 150 gross tons or over when engaged in voyage on Great Lakes	2318
Supplement 4, Section D—Establishment of subdivision load lines on passenger vessels	2320
Department of the Interior:	
Division of Grazing:	
Idaho Grazing District Nos. 2 and 3, modifications	2302
New Mexico Grazing District No. 6, modification	2302
Federal Home Loan Bank Board:	
Home Owners' Loan Corporation:	
Property Management Chapter of Manual—Payment of delinquent water bills	2339
Federal Housing Administration:	
Mutual mortgage insurance, administrative rules and regulations under the National Housing Act	2340

TABLE OF CONTENTS—Continued

Federal Trade Commission:	
Order appointing examiner, etc., in matter of: Haynes, Justin, and Co., Inc.	2345
Treasury Department:	
Bureau of Internal Revenue:	
Stamp tax on passage tickets, exemption of tickets between continental United States and Puerto Rico	2299
Records and transcripts of wholesale liquor dealers including rectifiers, distillers, etc.	2299

trial alcohol bonded warehouse, who maintains taxpaid premises at which taxpaid distilled spirits or alcohol are received, stored, and sold *in bulk*, and every wholesale liquor dealer who deals in alcohol *in bulk for industrial purposes*, shall keep Form 52E, "Monthly Record and Report of Importer or Proprietor of Taxpaid Premises", of all spirits, both bulk and bottled, received and disposed of at his taxpaid premises: Provided, That, if such proprietor or wholesale liquor dealer so desires, he may keep Form 52E for bulk spirits only and Record 52 for bottled spirits only.

(D) IMPORTERS

7. Every importer who imports and sells distilled spirits *in bulk*, shall keep at the place of business covered by his wholesale liquor dealer special tax stamp, Form 52E, "Monthly Record and Report of Importer or Proprietor of Taxpaid Premises", of all distilled spirits, both bulk and bottled, imported and disposed of by him: Provided, That, if the importer so desires, he may keep Form 52E for bulk spirits only and Record 52 for bottled spirits only. The receipt of imported distilled spirits, both bulk and bottled, shall be entered on Form 52E as of the time of making the customs entry. The disposition of such distilled spirits shall be entered on Form 52E as of the time of their sale or their tax-payment and withdrawal from customs custody.

8. Every importer who maintains wholesale liquor dealer premises where bottled distilled spirits are received and stored, shall keep Record 52 of all bottled distilled spirits received and disposed of thereat (including bottled spirits transferred from customs custody).

(E) RECTIFIER

9. Every rectifier shall report on Form 45, "Rectifier's Monthly Record and Report", all bulk distilled spirits, wines, and other liquors received by him, whether for rectification or for bottling without rectification.

10. The rectifier shall report on such Form 45 all bulk products removed from his rectifying plant, and all bottled products removed from his rectifying plant and from his contiguous wholesale liquor dealer room where such room is maintained and is used exclusively for products bottled at his rectifying plant.

11. Every rectifier who maintains non-contiguous wholesale liquor dealer premises shall report all bottled products (rectified and unrectified) removed from his rectifying plant, on Form 45, kept at such plant. He shall keep Record 52 at such non-contiguous wholesale liquor dealer premises of all bottled products (rectified and unrectified) received and disposed of thereat, including products transferred from his non-contiguous rectifying plant and products received from other persons.

12. Every rectifier who maintains a contiguous wholesale liquor dealer room, which is not used exclusively for products bottled at his rectifying plant, shall report all bottled products (rectified and unrectified) removed from his rectifying plant, on Form 45, kept at such plant. He shall keep Record 52, "Wholesale Liquor Dealer's Record", at such contiguous wholesale liquor dealer room of all bottled products (rectified and unrectified) received and disposed

of thereat, including those products transferred from his contiguous rectifying plant.

(F) FRUIT DISTILLERIES

13. Every proprietor of a fruit distillery shall keep a daily record and render monthly reports on Form 15, "Monthly Return of Fruit Distiller", of all distilled spirits removed from the distillery. Pending the revision of Form 15, the name and address of the consignee of distilled spirits withdrawn tax paid will be entered in the name and address columns under "Withdrawn for Fortification of Wine."

RECTIFIER'S DAILY RECORD OF BOTTLING

14. Where the contents of a tank are not completely bottled at the close of business for the day, the rectifier shall enter on the copy of Form 237 attached to the bottling tank, the total distilled spirits, wines and other liquors bottled that day from such tank, giving all the information required by the form. Form 237 shall be kept on the tank until the entire contents are bottled. Upon completion of the bottling, Form 237 shall be removed from the bottling tank and the original and all copies of Form 237 completed and disposed of in accordance with instructions on the form. The same procedure shall be followed for reporting on Form 230 the daily bottling of spirits bottled without rectification.

TIME OF MAKING ENTRIES

15. Daily entries shall be made on Record 52, Forms 52C, 52D, 52E, and 45, as indicated by the headings of the various columns, and in accordance with instructions printed thereon, not later than the close of business of the day on which the transactions occur: Provided, That, where the wholesale liquor dealer, the proprietor of the taxpaid bottling house, the importer or the proprietor of taxpaid premises where distilled spirits are sold in bulk, or the rectifier, keeps a separate record, such as invoices, of the removals of distilled spirits, showing the removal data required to be entered on Record 52, Form 52D, Form 52E, or Form 45, respectively, daily entries of the removal of goods from his premises may be made on the respective record not later than the close of business of the following business day, provided such separate record is approved by the District Supervisor. Such provision is not applicable to daily entries on Form 52C, "Monthly Record and Report of Registered Distillery and Internal Revenue Bonded Warehouse."

SEPARATE RECORD OF SERIAL NUMBERS OF CASES

16. Serial numbers of cases of distilled spirits disposed of need not be entered on Record 52, "Wholesale Liquor Dealer's Record", Form 52D, "Monthly Record and Report of Taxpaid Bottling House Operations", Form 52E, "Monthly Record and Report of Importer or Proprietor of Taxpaid Premises", or Form 45, "Rectifier's Monthly Record and Report", provided the respective proprietor keeps in his place of business a separate record, approved by the District Supervisor, showing such serial numbers, with necessary identifying data, including the date of removal and the name and address of the consignee. Such separate record may be kept in book form (including loose-leaf books) or may consist of commercial papers, such as invoices or bills. Such books, invoices, and bills shall be preserved for a period of four years and in such a manner that the required information may be ascertained readily therefrom, and, during such period, shall be available during business hours for inspection and the taking of abstracts therefrom by revenue officers. Entries shall be made on such separate approved record not later than the close of business of the day on which the transactions occur. The dealer, whose separate record has been approved by the District Supervisor, shall note in the column for reporting serial numbers that, "Serial numbers shown on commercial records per authority, dated _____."

ENTRY OF MISCELLANEOUS ITEMS

17. Wholesale liquor dealers may enter on Record 52, "Wholesale Liquor Dealer's Record", as one item the total

quantity of different kinds of spirits made up from broken cases sold to the same person on the same day, provided such total quantity is not in excess of ten gallons. The entry of such items shall be stated as "Miscellaneous" or "Misc." and shall show the date, the name and address of the person to whom sold, and the quantity. The total quantity of such miscellaneous spirits so disposed of during the month shall be reported in the monthly summary, Form 338, as "Miscellaneous": Provided, the wholesale liquor dealer determines by actual inventory the quantity of each kind of spirits remaining on hand at the end of the month.

PLACE WHERE RECORD 52 SHALL BE KEPT BY WHOLESALE LIQUOR DEALERS

18. Except as otherwise provided herein, the wholesale liquor dealer shall keep Record 52, "Wholesale Liquor Dealer's Record", at the place of business covered by his wholesale liquor dealer special tax stamp, if the spirits are received and sent out from such premises.

19. If the place of business covered by the wholesale liquor dealer special tax stamp is not the same premises where the spirits are received and sent out, the wholesale liquor dealer shall keep his Record 52 at the latter place and render transcripts from such place on Forms 52A and 52B: Provided, That, if approved by the District Supervisor, a wholesale liquor dealer who so desires may keep his Record 52 at the place of business covered by the special tax stamp and render transcripts on Forms 52A and 52B from such place. If, however, the place of business covered by the special tax stamp is not in the same supervisory district as the place where the spirits are received and sent out, Record 52 must be kept at the latter place and transcripts on Forms 52A and 52B rendered to the District Supervisor of that district.

WHERE WHOLESALE LIQUOR DEALER ALSO MAINTAINS A RETAIL LIQUOR DEALER DEPARTMENT

20. Where a wholesale liquor dealer maintains a separate retail liquor dealer department on the same premises, he shall keep Record 52, "Wholesale Liquor Dealer's Record", at his wholesale liquor dealer department, of all spirits received and disposed of thereat. Distilled spirits transferred from the wholesale department to the retail department shall be reported on Record 52, Part 2, as "Transferred to retail liquor dealer department." Sales of five wine gallons or more of distilled spirits to the same person at the same time, filled wholly or partly from the retail liquor dealer department, shall be entered on Record 52, Part 2, and the quantity taken from the retail department shall be entered on Record 52, Part 1, as "Transferred from retail liquor dealer department."

21. Where the wholesale liquor dealer sells at both wholesale and retail and does not maintain a separate retail department, all distilled spirits received and disposed of shall be entered on Record 52.

MONTHLY REPORTS

22. A full and complete transcript of the required records shall be rendered on the respective monthly reports, Forms 52A, 52B, 52C, 52D, and 52E, and Form 45, and forwarded to the District Supervisor, Alcohol Tax Unit, on or before the tenth day of the succeeding month. Record 52, and records kept on Forms 52C, 52D, 52E, and 45 shall be preserved for a period of four years and during such period shall be available during business hours for inspection and the taking of abstracts therefrom by the Commissioner or any internal revenue officer.

USE OF PREVIOUS ISSUES OF RECORDS AND FORMS

23. The revised Record 52, Forms 52A, 52B, 52C, 338, and 45, and the new Forms 52D and 52E are effective October 1, 1937. However, commercial printers of Record 52, Forms 52A, 52B, 52C, 338 and 45, will be given until January 1, 1938, to dispose of stocks of present issues. Users of Record 52, Forms 52A, 52B, 52C, 338 and 45 will

be given until March 1, 1938, to use stocks of the present issues. District Supervisors will not accept Forms 52A, 52B, 52C, 338 or 45 on other than the revised forms (October, 1937) covering transactions beginning with the month of March, 1938.

FORMS TO BE PROVIDED BY USERS AT OWN EXPENSE

24. Record 52, Forms 52A, 52B, 52C, 52D, 52E, 338 and 45 will be provided by users at their own expense, but must be in the form prescribed by the Commissioner: Provided, That, with the approval of the Commissioner, they may be modified to adapt their use to tabulating or other mechanical equipment; Provided, further, That where the form is printed in book form, including loose-leaf books, the instructions may be printed on the cover or the fly leaf of the book instead of on the individual form.

REGULATIONS REVOKED

25. Treasury Decisions 2571, 4475, 4525, 4654, and 4655; the first two sentences of Paragraph 41 of Treasury Decision 4650; Paragraph 136 of Treasury Decision 4651; and Paragraph 193 of Regulations 15, are hereby revoked.

26. The provisions of Treasury Decision 4679; Article 53 of Regulations 3; Paragraph 9, Page 35 of Regulations 8; Paragraphs 189, 191, and 194 of Regulations 15; and all pertinent provisions of Regulations 7, "Concerning the Tax on Distilled Spirits" (1914 edition), relative to Forms 45, 52, 52A, 52B, 52C, and 338, are hereby revoked in so far as they are inconsistent herewith.

[SEAL]

CHAS. T. RUSSELL,

Acting Commissioner of Internal Revenue.

Approved, September 24, 1937.

WAYNE C. TAYLOR,

Acting Secretary of the Treasury.

[F. R. Doc. 37-2892; Filed, September 28, 1937; 12:02 p. m.]

DEPARTMENT OF THE INTERIOR.

Division of Grazing.

IDAHO GRAZING DISTRICT No. 2

MODIFICATION

SEPTEMBER 22, 1937.

Under and pursuant to the provisions of the act of June 28, 1934 (48 Stat. 1269), as amended by the act of June 26, 1936 (49 Stat. 1976), Departmental order of November 3, 1936,¹ establishing Idaho Grazing District No. 2 is hereby revoked as far as it affects the following-described lands:

BOISE MERIDIAN

- T. 1 S., R. 13 E.,
sec. 31, lot 2;
- T. 2 S., R. 13 E.,
sec. 7, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
- T. 6 S., R. 14 E.,
sec. 32, NW $\frac{1}{4}$ NE $\frac{1}{4}$;
- T. 2 S., R. 15 E.,
sec. 13, N $\frac{1}{2}$ NW $\frac{1}{4}$;
sec. 24, N $\frac{1}{2}$ NW $\frac{1}{4}$;
- T. 7 S., R. 16 E.,
sec. 25, SE $\frac{1}{4}$ SW $\frac{1}{4}$;
- T. 11 S., R. 16 E.,
sec. 6, lots 3 and 4;
sec. 9, NE $\frac{1}{4}$ NW $\frac{1}{4}$;
- T. 5 S., R. 17 E.,
sec. 12, W $\frac{1}{2}$ NE $\frac{1}{4}$;
sec. 13, SW $\frac{1}{4}$ NE $\frac{1}{4}$;
sec. 15, NW $\frac{1}{4}$ NE $\frac{1}{4}$;
- T. 6 S., R. 18 E.,
sec. 13, NW $\frac{1}{4}$ SW $\frac{1}{4}$;
sec. 14, NE $\frac{1}{4}$ SE $\frac{1}{4}$;
- T. 3 S., R. 19 E.,
sec. 33, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;

¹ 1 F. R. 710.

² 1 F. R. 1743.

- T. 4 S., R. 19 E.,
sec. 4, lots 1, 2, 3, 4, SW $\frac{1}{4}$ NW $\frac{1}{4}$;
sec. 29, S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$;
sec. 30, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
sec. 31, E $\frac{1}{2}$ NE $\frac{1}{4}$;
sec. 32, SW $\frac{1}{4}$ NW $\frac{1}{4}$;
- T. 6 S., R. 19 E.,
sec. 7, NE $\frac{1}{4}$;
sec. 8, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
sec. 17, NE $\frac{1}{4}$ NE $\frac{1}{4}$;
sec. 27, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$;
sec. 29, S $\frac{1}{2}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;
- T. 10 S., R. 19 E.,
sec. 22, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
- T. 12 S., R. 32 E.,
sec. 24, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
- T. 10 S., R. 34 E.,
sec. 12, E $\frac{1}{2}$ NE $\frac{1}{4}$;
- T. 10 S., R. 35 E.,
sec. 7, lots 2, 3, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$;
sec. 8, W $\frac{1}{2}$ W $\frac{1}{2}$;
sec. 18, N $\frac{1}{2}$ NE $\frac{1}{4}$;
- T. 13 S., R. 35 E.,
sec. 28, S $\frac{1}{2}$ SW $\frac{1}{4}$;
sec. 33, N $\frac{1}{2}$ NW $\frac{1}{4}$;
- T. 8 S., R. 37 E.,
sec. 29, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$;
sec. 32, NW $\frac{1}{4}$ NW $\frac{1}{4}$;
- T. 7 S., R. 38 E.,
sec. 3, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
sec. 10, SW $\frac{1}{4}$ NE $\frac{1}{4}$;
- T. 8 S., R. 38 E.,
sec. 13, W $\frac{1}{2}$ E $\frac{1}{2}$.

T. A. WALTERS,

Acting Secretary of the Interior.

[F. R. Doc. 37-2888; Filed, September 28, 1937; 9:46 a. m.]

IDAHO GRAZING DISTRICT No. 3

MODIFICATION

SEPTEMBER 22, 1937.

Under and pursuant to the provisions of the act of June 28, 1934 (48 Stat. 1269), as amended by the act of June 26, 1936 (49 Stat. 1976), and subject to the limitations and conditions therein contained, Departmental order of November 3, 1936,¹ establishing Idaho Grazing District No. 3 is hereby revoked as far as it affects the following-described lands:

BOISE MERIDIAN

- T. 7 N., R. 36 E.,
sec. 25, W $\frac{1}{2}$ NW $\frac{1}{4}$;
sec. 26, E $\frac{1}{2}$ NE $\frac{1}{4}$;
- T. 5 N., R. 38 E.,
sec. 17, lots 7 and 8;
- T. 6 N., R. 39 E.,
sec. 3, lots 9, 11, and 13;
sec. 4, lot 9;
- T. 7 N., R. 39 E.,
sec. 33, SW $\frac{1}{4}$ SE $\frac{1}{4}$;
- T. 9 N., R. 42 E.,
sec. 31, lot 4.

T. A. WALTERS,

Acting Secretary of the Interior.

[F. R. Doc. 37-2889; Filed, September 28, 1937; 9:46 a. m.]

NEW MEXICO GRAZING DISTRICT No. 6

MODIFICATION

SEPTEMBER 24, 1937.

Under and pursuant to the provisions of the act of June 28, 1934 (48 Stat. 1269), as amended by the act of June 26, 1936 (49 Stat. 1976), Departmental order of April 8, 1935, establishing New Mexico Grazing District No. 6 is hereby revoked as far as it affects the following-described lands, such revocation to be effective upon the inclusion of the lands within the Bitter Lake Migratory Waterfowl Refuge

¹ 1 F. R. 1745.

or upon their temporary withdrawal by Executive order for classification:

NEW MEXICO

New Mexico Principal Meridian

- T. 8 S., R. 24 E.,
sec. 24, S $\frac{1}{2}$ SE $\frac{1}{4}$;
sec. 25, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
T. 8 S., R. 25 E.,
sec. 13, SW $\frac{1}{4}$;
sec. 14, S $\frac{1}{2}$;
sec. 15, S $\frac{1}{2}$;
sec. 16, S $\frac{1}{2}$;
sec. 17, all;
sec. 18, SE $\frac{1}{4}$;
secs. 19 to 23, inclusive;
sec. 24, W $\frac{1}{2}$;
sec. 25, W $\frac{1}{2}$;
secs. 26 to 30, inclusive;
sec. 31, E $\frac{1}{2}$;
secs. 32 to 34, inclusive;
sec. 35, N $\frac{1}{2}$ and SW $\frac{1}{4}$.
T. 9 S., R. 25 E.,
sec. 11, E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, and S $\frac{1}{2}$ SE $\frac{1}{4}$;
sec. 14, E $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, and E $\frac{1}{2}$ SE $\frac{1}{4}$;
sec. 15, E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$, and N $\frac{1}{2}$ SE $\frac{1}{4}$;
sec. 21, E $\frac{1}{2}$ SE $\frac{1}{4}$;
sec. 22, SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$, and NW $\frac{1}{4}$ SE $\frac{1}{4}$;
sec. 23, NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, and SW $\frac{1}{4}$;
sec. 26, W $\frac{1}{2}$;
sec. 27, N $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$;
sec. 28, E $\frac{1}{2}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$;
sec. 32, NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
secs. 33 and 34;
sec. 35, W $\frac{1}{2}$.
T. 10 S., R. 25 E.,
sec. 2, W $\frac{1}{2}$;
secs. 3 and 4;
sec. 5, lots 1, 2, and 3, S $\frac{1}{2}$ N $\frac{1}{2}$, and S $\frac{1}{2}$;
secs. 9 and 10;
sec. 11, W $\frac{1}{2}$;
sec. 14, NW $\frac{1}{4}$;
sec. 15, N $\frac{1}{2}$, SW $\frac{1}{4}$;
sec. 16, all;
sec. 20, SE $\frac{1}{4}$;
sec. 21, all;
sec. 22, W $\frac{1}{2}$ NW $\frac{1}{4}$;
sec. 28, N $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$;
sec. 29, E $\frac{1}{2}$.

T. A. WALTERS,

Acting Secretary of the Interior.

[F. R. Doc. 37-2846; Filed, September 25, 1937; 9:54 a. m.]

DEPARTMENT OF AGRICULTURE.

Agricultural Adjustment Administration.

1937 COTTON PRICE ADJUSTMENT PAYMENT PLAN

DEFINITION OF DATE OF SALE¹

For the purposes of the 1937 Cotton Price Adjustment Payment Plan the date of sale shall be deemed to be the date on which the person by or for whom the cotton which is sold was produced and harvested entered into the agreement to sell such cotton whether or not delivery thereof is simultaneously made and whether or not title thereto simultaneously passes. At the time application for payment under said plan is made it must be shown that the cotton covered by each Cotton Sale Certificate or sales receipt submitted in support of such application is cotton which was sold for money or something of value prior to July 1, 1938, by the person by or for whom it was produced and harvested, that title thereto has vested in the purchaser, and that delivery thereof has been made pursuant to such sale. Cotton paid as standing rent or as an installment on the purchase price of a farm shall be deemed to have been sold by the producer thereof so paying it and the date of sale thereof shall be the date on which it was delivered in such payment prior to July 1, 1938.

¹Pursuant to the item entitled "Price Adjustment Payment to Cotton Producers" in the Third Deficiency Appropriation Act, fiscal year 1937, approved August 25, 1937, Public No. 354, 75th Congress.

Done at Washington, D. C., this 28th day of Sept., 1937.
Witness my hand and the seal of the Department of Agriculture.

[SEAL]

H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 37-2895; Filed, September 28, 1937; 12:35 p. m.]

Issued September 28, 1937.

[Puerto Rico Sugar Order No. 7]

ALLOTMENT OF THE QUOTA FOR PUERTO RICO

By virtue of the authority vested in the Secretary of Agriculture by The Sugar Act of 1937, approved September 1, 1937, I, H. A. Wallace, Secretary of Agriculture, in order to carry out the powers vested in me by the said act, do hereby make, issue, publish and give public notice of this order, which shall have the force and effect of law and shall continue in force and effect until amended or superseded by orders or regulations hereafter made by the Secretary of Agriculture.

I

Whereas, General Sugar Quota Regulations, Series 4, No. 2, as amended by Supplement 3,¹ establishes for Puerto Rico, for the calendar year 1937, a quota of 883,303 short tons of sugar, raw value, and

Whereas, I hereby find that the total surplus stocks of Puerto Rican sugar in excess of the aforesaid quota and the estimated requirements for local consumption in Puerto Rico for the calendar year 1937 amount to approximately 153,000 tons of sugar, raw value, and

Whereas, I hereby find that the allotment of the sugar quota established for Puerto Rico for consumption in continental United States for the calendar year 1937 is necessary in order to prevent disorderly marketing of sugar from such area.

II

Now, therefore, upon the basis of the foregoing findings and pursuant to the foregoing authority, it is hereby ordered:

1. That the aforesaid quota of 883,303 short tons of sugar, raw value, shall be allotted to the following processors in the amounts which appear opposite their respective names:

Name of processor	Allotment from processing	Allotment from surplus stocks	Marketing allotment
(1) Aguirre	95,413	12,000	107,413
(2) Cambalache	34,637	2,763	37,400
(3) Canovanas	20,817	2,934	23,751
(4) Carmen	13,902	1,303	15,205
(5) Coloso	81,665	2,545	84,210
(6) Constancia-Toa	19,704	1,276	20,980
(7) El Ejemplo	11,734	1,125	12,859
(8) Eureka	11,272	733	12,005
(9) Fajardo	58,112	5,927	64,039
(10) Guanica	90,844	9,967	100,811
(11) Guamaní	10,964	959	11,923
(12) Herminda	1,778	115	1,893
(13) Igualdad	11,955	1,063	13,018
(14) Juanita	15,562	1,008	16,570
(15) Lafayette	28,394	2,667	31,061
(16) Plazuela-Los Canos	34,773	2,315	37,088
(17) Monserrate	11,012	1,033	12,045
(18) Pellejas	1,353	88	1,441
(19) Plata	9,902	641	10,543
(20) Playa Grande	7,312	619	7,931
(21) Rochelaise	8,230	844	9,074
(22) Roig	26,361	2,436	28,797
(23) Rufina	26,360	3,267	29,627
(24) San Vicente	29,364	2,440	31,804
(25) Santa Barbara	2,521	265	2,786
(26) Soller	5,008	324	5,332
(27) Vannina	13,195	854	14,049
(28) Victoria	15,875	1,213	17,088
(29) Eastern Sugar Associates	81,343	9,857	91,200
(30) San Francisco	5,612	509	6,121
(31) Caribe	6,309	409	6,718
(32) Constancia-Ponce	8,033	768	8,801
(33) Mercedita	31,088	2,681	34,669
(34) Boca Chica	14,287	1,874	16,161
Total	804,581	78,722	883,303

¹2 F. R. 2103, 2189 (DI).

2. That the above-named processors are hereby prohibited from bringing into the continental United States, for consumption during the calendar year 1937, any sugar from Puerto Rico in excess of the marketing allotments set forth in paragraph 1 hereof.

3. That the allotments fixed herein shall not be assigned or transferred without the approval of the Secretary or his duly appointed agent.

4. That where surplus stocks of sugar have been processed from growers' surplus sugarcane and settlement with growers has been made in terms of sugar, such growers' surplus sugar shall share in the allotment herein made to the processor on a pro rata basis.

In testimony whereof, H. A. Wallace, Secretary of Agriculture, has hereunto set his hand and caused the official seal of the Department of Agriculture to be affixed in the City of Washington, District of Columbia, this 28th day of Sept., 1937.

[SEAL]

H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 37-2894; Filed, September 28, 1937; 12:34 p. m.]

1937 AGRICULTURAL CONSERVATION PROGRAM—NORTH CENTRAL REGION

SUPPLEMENT NO. 4

Pursuant to the authority vested in the Secretary of Agriculture under Section 8 of the Soil Conservation and Domestic Allotment Act, North Central Region Bulletin No. 101, as Amended, is hereby amended as follows:

1. Part II, Section 9 (a)¹ is amended by adding at the end thereof the following:

The county rates of payment per acre for diversion from the general soil-depleting base for the respective counties in Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin shall be as follows:

Illinois

County—Rate of General Diversion Payment Per Acre

Bureau, \$9.51; Carroll, \$9.20; Henry, \$9.20; Jo Daviess, \$8.69; Lee, \$8.88; Mercer, \$9.13; Ogle, \$8.57; Putnam, \$9.45; Rock Island, \$8.82; Stephenson, \$8.63; Whiteside, \$9.26; Winnebago, \$7.87.

Boone, \$8.06; Cook, \$8.25; DeKalb, \$9.32; DuPage, \$8.38; Grundy, \$8.00; Kane, \$9.20; Kendall, \$8.19; Lake, \$8.25; LaSalle, \$8.76; McHenry, \$8.63; Will, \$7.50.

Adams, \$7.87; Brown, \$8.06; Fulton, \$8.63; Hancock, \$8.06; Henderson, \$8.88; Knox, \$9.07; McDonough, \$8.69; Schuyler, \$8.06; Warren, \$9.20.

Bond, \$5.48; Calhoun, \$8.44; Cass, \$8.38; Christian, \$7.87; Greene, \$8.19; Jersey, \$7.43; Macoupin, \$7.18; Madison, \$6.87; Montgomery, \$6.43; Morgan, \$8.76; Pike, \$7.87; Sangamon, \$8.38; Scott, \$8.69.

DeWitt, \$8.00; Logan, \$8.57; McLean, \$8.50; Macon, \$8.69; Marshall, \$8.19; Mason, \$7.24; Menard, \$8.25; Peoria, \$8.32; Stark, \$8.50; Tazewell, \$8.63; Woodford, \$9.32.

Champaign, \$8.57; Ford, \$7.87; Iroquois, \$7.62; Kankakee, \$7.43; Livingston, \$8.13; Piatt, \$8.76; Vermilion, \$7.50.

Clark, \$6.43; Clay, \$5.29; Coles, \$7.62; Crawford, \$6.55; Cumberland, \$5.98; Douglas, \$8.13; Edgar, \$8.25; Effingham, \$5.23; Fayette, \$5.61; Jasper, \$5.23; Lawrence, \$6.17; Marion, \$5.04; Moultrie, \$8.00; Richland, \$5.17; Shelby, \$6.99.

Alexander, \$6.30; Clinton, \$5.98; Jackson, \$6.61; Johnson, \$5.67; Monroe, \$7.12; Perry, \$4.91; Pulaski, \$6.68; Randolph, \$6.24; St. Clair, \$6.49; Union, \$6.80; Washington, \$5.17; Williamson, \$5.61.

Edwards, \$5.98; Franklin, \$5.04; Gallatin, \$6.49; Hamilton, \$5.48; Hardin, \$5.48; Jefferson, \$4.98; Massac, \$6.11; Pope, \$5.48; Saline, \$6.05; Wabash, \$6.93; Wayne, \$5.42; White, \$6.24.

Indiana

County—Rate of General Diversion Payment Per Acre

Benton, \$7.31; Jasper, \$6.68; Lake, \$7.12; La Porte, \$6.80; Newton, \$7.43; Porter, \$6.74; Pulaski, \$6.74; Starke, \$6.05; White, \$7.43.

Carroll, \$8.38; Cass, \$8.06; Elkhart, \$7.08; Fulton, \$7.12; Kosciusko, \$8.06; Marshall, \$7.56; Miami, \$8.69; St. Joseph, \$6.72; Wabash, \$8.44.

Adams, \$7.75; Allen, \$8.19; DeKalb, \$7.38; Huntington, \$8.00; Lagrange, \$7.02; Noble, \$8.13; Steuben, \$7.56; Wells, \$7.81; Whitley, \$7.69.

Clay, \$6.06; Fountain, \$6.99; Montgomery, \$8.00; Owen, \$5.70; Parke, \$6.93; Putnam, \$6.80; Tippecanoe, \$7.50; Vermillion, \$6.68; Vigo, \$6.43; Warren, \$6.99.

Bartholomew, \$7.18; Boone, \$7.69; Clinton, \$8.69; Decatur, \$8.19; Grant, \$8.76; Hamilton, \$8.57; Hancock, \$7.75; Hendricks, \$7.69; Howard, \$9.01; Johnson, \$8.63; Madison, \$8.57; Marion, \$8.00; Morgan, \$7.62; Rush, \$8.76; Shelby, \$7.69; Tipton, \$9.45.

Blackford, \$7.12; Delaware, \$8.44; Fayette, \$9.01; Henry, \$8.38; Jay, \$7.18; Randolph, \$8.13; Union, \$9.51; Wayne, \$8.44.

Daviess, \$6.18; Dubois, \$5.76; Gibson, \$6.99; Greene, \$6.30; Knox, \$6.93; Martin, \$6.18; Pike, \$5.64; Posey, \$6.30; Spencer, \$5.46; Sullivan, \$6.68; Vanderburgh, \$6.60; Warrick, \$5.88.

Brown, \$5.76; Crawford, \$5.04; Floyd, \$6.00; Harrison, \$5.58; Jackson, \$6.24; Lawrence, \$6.36; Monroe, \$6.06; Orange, \$5.70; Perry, \$5.40; Washington, \$5.88.

Clark, \$5.88; Dearborn, \$6.30; Franklin, \$7.69; Jefferson, \$5.94; Jennings, \$5.76; Ohio, \$6.48; Ripley, \$5.94; Scott, \$5.64; Switzerland, \$6.42.

Iowa

County—Rate of General Diversion Payment Per Acre

Buena Vista, \$8.88; Cherokee, \$8.57; Clay, \$8.25; Dickinson, \$7.94; Emmet, \$8.13; Lyon, \$7.50; O'Brien, \$8.69; Osceola, \$8.13; Palo Alto, \$8.06; Plymouth, \$7.50; Pocahontas, \$8.50; Sioux, \$8.00.

Butler, \$7.62; Cerro Gordo, \$7.94; Floyd, \$7.62; Franklin, \$8.57; Hancock, \$8.25; Humboldt, \$9.13; Kossuth, \$8.63; Mitchell, \$7.81; Winnebago, \$8.32; Worth, \$7.81; Wright, \$8.88.

Allamakee, \$8.38; Black Hawk, \$8.76; Bremer, \$8.38; Buchanan, \$7.62; Chickasaw, \$7.43; Clayton, \$8.95; Delaware, \$8.25; Dubuque, \$8.38; Fayette, \$8.00; Howard, \$7.12; Winnesaukee, \$8.57.

Audubon, \$8.50; Calhoun, \$8.95; Carroll, \$8.69; Crawford, \$8.19; Greene, \$8.88; Guthrie, \$8.50; Harrison, \$8.06; Ida, \$8.25; Monona, \$8.25; Sac, \$9.01; Shelby, \$8.69; Woodbury, \$7.75.

Boone, \$9.13; Dallas, \$9.45; Grundy, \$8.95; Hamilton, \$9.26; Hardin, \$8.69; Jasper, \$9.32; Marshall, \$9.45; Polk, \$9.20; Poweshiek, \$9.20; Story, \$9.20; Tama, \$9.26; Webster, \$8.69.

Benton, \$9.07; Cedar, \$9.95; Clinton, \$9.13; Iowa, \$9.32; Jackson, \$8.38; Johnson, \$9.51; Jones, \$9.39; Linn, \$8.76; Muscatine, \$8.69; Scott, \$9.76.

Adair, \$8.32; Adams, \$8.06; Cass, \$8.25; Fremont, \$8.38; Mills, \$8.57; Montgomery, \$8.69; Page, \$8.57; East Pottawattamie, \$9.07; West Pottawattamie, \$8.45; Taylor, \$7.12.

Appanoose, \$6.30; Clarke, \$7.31; Decatur, \$6.49; Lucas, \$7.06; Madison, \$8.63; Marion, \$8.82; Monroe, \$6.99; Ringgold, \$6.68; Union, \$7.50; Warren, \$8.50; Wayne, \$6.49.

Davis, \$6.36; Des Moines, \$8.76; Henry, \$9.01; Jefferson, \$7.50; Keokuk, \$8.57; Lee, \$7.24; Louisa, \$8.50; Mahaska, \$8.95; Van Buren, \$6.55; Wapello, \$7.37; Washington, \$9.20.

Michigan

County—Rate of General Diversion Payment Per Acre

Alger, \$6.12; Baraga, \$6.84; Chippewa, \$6.42; Delta, \$5.76; Dickinson, \$6.78; Gogebic, \$6.42; Houghton, \$6.54; Iron, \$6.48; Keweenaw, \$5.76; Luce, \$6.24; Mackinac, \$5.58; Marquette, \$6.00; Menominee, \$6.42; Ontonagon, \$5.76; Schoolcraft, \$6.24.

¹ 2 F. R. 543 (DI).

Antrim, \$6.12; Benzie, \$5.04; Charlevoix, \$5.94; Emmet, \$6.42; Grand Traverse, \$5.64; Kalkaska, \$5.16; Leelanau, \$5.58; Manistee, \$5.22; Missaukee, \$5.22; Wexford, \$4.98.

Alcona, \$5.94; Alpena, \$5.76; Cheboygan, \$6.00; Crawford, \$5.76; Iosco, \$5.64; Montmercy, \$5.16; Ogemaw, \$5.70; Oscoda, \$5.16; Otsego, \$5.52; Presque Isle, \$6.54; Roscommon, \$4.62.

Lake, \$4.98; Mason, \$5.34; Muskegon, \$5.76; Newaygo, \$5.76; Oceana, \$5.16.

Clare, \$5.34; Gladwin, \$5.70; Gratiot, \$7.02; Isabella, \$6.00; Mecosta, \$4.92; Midland, \$6.30; Montcalm, \$5.88; Osceola, \$5.28.

Arenac, \$5.64; Bay, \$6.72; Huron, \$7.08; Saginaw, \$6.78; Sanilac, \$6.36; Tuscola, \$6.96.

Allegan, \$6.57; Berrien, \$7.02; Cass, \$6.36; Kalamazoo, \$6.30; Kent, \$6.36; Ottawa, \$6.84; Van Buren, \$5.94.

Barry, \$6.66; Branch, \$6.66; Calhoun, \$6.60; Clinton, \$7.23; Eaton, \$7.23; Hillsdale, \$7.14; Ingham, \$6.60; Ionia, \$6.90; Jackson, \$6.30; St. Joseph, \$6.12; Shiawassee, \$6.72.

Genesee, \$7.02; Lapeer, \$6.42; Lenawee, \$7.86; Livingston, \$6.60; Macomb, \$6.90; Monroe, \$7.92; Oakland, \$6.60; St. Clair, \$6.24; Washtenaw, \$7.20; Wayne, \$7.14.

Minnesota

County—Rate of General Diversion Payment Per Acre

Becker, \$5.46; Clay, \$5.28; Clearwater, \$6.06; Kittson, \$4.68; Mahanomen, \$5.28; Marshall, \$4.80; Norman, \$5.40; Pennington, \$5.10; East Polk, \$5.30; West Polk, \$5.66; Red Lake, \$5.04; Roseau, \$5.22.

Beltrami, \$5.82; Cass, \$5.34; Hubbard, \$4.80; Itasca, \$6.18; Koochiching, \$6.42; Lake of the Woods, \$6.00.

Cook, \$5.46; Lake, \$5.58; North St. Louis, \$6.28; South St. Louis, \$6.40.

Bigstone, \$5.52; Chippewa, \$6.93; Douglas, \$6.24; Grant, \$5.88; Lac qui Parle, \$6.43; East Otter Tail, \$5.80; West Otter Tail, \$5.82; Pope, \$5.82; Stevens, \$6.00; Swift, \$6.17; Traverse, \$5.46; Wilkin, \$5.34; Yellow Medicine, \$7.24.

Benton, \$6.12; Carver, \$9.54; Kandiyohi, \$7.37; McLeod, \$8.88; Meeker, \$7.50; Morrison, \$5.58; Renville, \$7.50; Scott, \$8.52; Sherburne, \$5.28; Sibley, \$8.82; Stearns, \$6.42; Todd, \$6.18; Wadena, \$5.04; Wright, \$7.26.

Aitkin, \$6.24; Anoka, \$5.88; Carlton, \$6.42; Chisago, \$6.66; Crow Wing, \$5.58; Hennepin, \$7.26; Isanti, \$6.18; Kanabec, \$6.24; Mille Lacs, \$6.72; Pine, \$6.30; Ramsey, \$6.54; Washington, \$6.54.

Cottonwood, \$7.50; Jackson, \$8.06; Lincoln, \$6.68; Lyon, \$7.24; Murray, \$7.18; Nobles, \$7.75; Pipestone, \$6.61; Redwood, \$7.62; Rock, \$7.24.

Blue Earth, \$8.69; Brown, \$8.13; Fairbault, \$8.50; Freeborn, \$8.57; LeSueur, \$9.07; Martin, \$8.38; Nicollet, \$8.69; Rice, \$8.69; Steele, \$8.57; Waseca, \$8.32; Watonwan, \$8.32.

Dakota, \$6.78; Dodge, \$7.18; Fillmore, \$7.75; Goodhue, \$7.62; Houston, \$7.98; Mower, \$7.18; Olmsted, \$7.50; Wabasha, \$7.56; Winona, \$7.44.

Missouri

County—Rate of General Diversion Payment Per Acre

Andrew, \$7.36; Atchison, \$7.74; Buchanan, \$7.17; Caldwell, \$6.24; Clay, \$6.67; Clinton, \$6.98; Daviess, \$6.24; De Kalb, \$5.85; Gentry, \$6.23; Harrison, \$6.30; Holt, \$7.74; Nodaway, \$6.67; Platte, \$7.49; Ray, \$6.74; Worth, \$6.43.

Adair, \$6.04; Carroll, \$6.67; Chariton, \$6.60; Grundy, \$6.04; Linn, \$6.54; Livingston, \$6.04; Macon, \$5.91; Mercer, \$6.36; Putnam, \$6.74; Randolph, \$5.79; Schuyler, \$6.43; Sullivan, \$6.54.

Audrain, \$5.10; Clark, \$6.16; Knox, \$6.04; Lewis, \$6.04; Marion, \$6.35; Monroe, \$5.79; Pike, \$6.16; Ralls, \$5.98; Scotland, \$5.92; Shelby, \$6.05.

Bates, \$4.80; Cass, \$5.87; Cedar, \$4.49; Henry, \$4.68; Jackson, \$6.71; Johnson, \$5.33; Lafayette, \$7.18; St. Clair, \$4.56; Vernon, \$4.31.

Benton, \$5.04; Boone, \$5.80; Callaway, \$5.48; Camden, \$4.86; Cole, \$5.63; Cooper, \$5.58; Dallas, \$4.37; Hickory,

\$4.50; Howard, \$6.43; Laclede, \$4.91; Maries, \$4.79; Miller, \$5.21; Moniteau, \$5.39; Morgan, \$5.28; Osage, \$5.75; Pettis, \$5.57; Phelps, \$4.74; Polk, \$4.97; Pulaski, \$5.04; Saline, \$6.92.

Crawford, \$4.55; Franklin, \$5.34; Gasconade, \$5.03; Jefferson, \$5.81; Lincoln, \$5.85; Montgomery, \$5.22; Perry, \$5.70; St. Charles, \$6.80; St. Francois, \$4.85; Ste. Genevieve, \$5.51; St. Louis, \$6.53; Warren, \$5.66; Washington, \$4.68.

Barry, \$4.56; Barton, \$4.32; Christian, \$5.21; Date, \$4.74; Greene, \$5.52; Jasper, \$4.79; Lawrence, \$4.74; McDonald, \$4.37; Newton, \$4.61; Stone, \$4.67.

Bollinger, \$4.49; Carter, \$4.25; Dent, \$4.74; Douglas, \$4.01; Howell, \$3.95; Iron, \$3.77; Madison, \$4.43; Oregon, \$4.19; Ozark, \$3.59; Reynolds, \$4.25; Ripley, \$4.19; Shannon, \$4.26; Taney, \$4.49; Texas, \$4.37; Wayne, \$4.37; Webster, \$4.79; Wright, \$4.50.

Butler, \$4.79; Cape Girardeau, \$5.70; Dunklin, \$5.46; Mississippi, \$5.76; New Madrid, \$5.64; Pemiscot, \$5.99; Scott, \$5.33; Stoddard, \$5.09.

Nebraska

County—Rate of General Diversion Payment Per Acre

Banner, \$4.62; Box Butte, \$4.26; Cheyenne, \$4.50; Dawes, \$4.08; Deuel, \$4.98; Garden, \$4.74; Kimball, \$4.44; Morrill, \$4.80; Scotts Bluff, \$7.14; Sheridan, \$4.02; Sioux, \$4.38.

Arthur, \$3.66; Blaine, \$3.72; Boyd, \$4.02; Brown, \$3.48; Cherry, \$3.66; Garfield, \$3.84; Grant, \$3.66; Holt, \$3.66; Hooker, \$3.54; Keyapaha, \$3.18; Logan, \$3.96; Loup, \$3.78; McPherson, \$3.60; Rock, \$3.24; Thomas, \$3.42; Wheeler, \$3.72.

Antelope, \$5.23; Boone, \$5.67; Burt, \$8.50; Cedar, \$6.24; Cuming, \$8.19; Dakota, \$7.43; Dixon, \$6.55; Knox, \$5.35; Madison, \$6.36; Pierce, \$5.80; Stanton, \$7.31; Thurston, \$6.99; Wayne, \$6.99.

Buffalo, \$4.98; Custer, \$4.38; Dawson, \$5.46; Greeley, \$4.68; Hall, \$5.52; Howard, \$5.28; Sherman, \$4.62; Valley, \$4.68.

Butler, \$7.24; Cass, \$7.12; Colfax, \$7.37; Dodge, \$8.06; Douglas, \$7.69; Hamilton, \$6.24; Lancaster, \$6.80; Merrick, \$6.00; Nance, \$6.06; Platte, \$6.93; Polk, \$6.96; Sarpy, \$7.62; Saunders, \$7.12; Seward, \$7.62; Washington, \$8.06; York, \$6.60.

Chase, \$4.38; Dundy, \$4.26; Frontier, \$4.14; Hayes, \$4.14; Hitchcock, \$4.32; Keith, \$4.74; Lincoln, \$4.38; Perkins, \$4.62; Redwillow, \$4.20.

Adams, \$5.34; Franklin, \$4.50; Furnas, \$4.56; Gosper, \$4.80; Harlan, \$4.50; Kearney, \$5.10; Phelps, \$4.92; Webster, \$4.80.

Clay, \$5.82; Fillmore, \$6.42; Gage, \$6.68; Jefferson, \$6.30; Johnson, \$6.68; Nemaha, \$7.69; Nuckolls, \$5.34; Otoe, \$7.24; Pawnee, \$6.68; Richardson, \$7.94; Saline, \$7.02; Thayer, \$6.00.

Ohio

County—Rate of General Diversion Payment Per Acre

Allen, \$8.44; Defiance, \$8.25; Fulton, \$9.07; Hancock, \$8.82; Henry, \$9.07; Lucas, \$8.88; Paulding, \$7.62; Putnam, \$8.95; Van Wert, \$8.32; Williams, \$9.07; Wood, \$8.82.

Ashland, \$7.50; Crawford, \$8.50; Erie, \$8.10; Huron, \$7.80; Lorain, \$7.62; Ottawa, \$8.76; Richland, \$7.62; Sandusky, \$8.88; Seneca, \$8.63; Wyandot, \$8.25.

Ashtabula, \$6.96; Columbiana, \$7.02; Cuyahoga, \$7.20; Geauga, \$7.44; Lake, \$7.08; Mahoning, \$7.56; Medina, \$7.56; Portage, \$7.44; Stark, \$7.86; Summit, \$7.62; Trumbull, \$7.26; Wayne, \$8.52.

Auglaize, \$8.44; Champaign, \$8.63; Clark, \$8.50; Darke, \$8.19; Hardin, \$8.25; Logan, \$7.69; Mercer, \$8.32; Miami, \$8.57; Shelby, \$7.94.

Delaware, \$7.87; Fairfield, \$8.13; Fayette, \$8.38; Franklin, \$8.25; Knox, \$7.86; Licking, \$7.56; Madison, \$8.13; Marion, \$7.81; Morrow, \$7.38; Pickaway, \$8.32; Ross, \$7.87; Union, \$7.62.

Belmont, \$6.96; Carroll, \$6.72; Coshocton, \$7.38; Harrison, \$7.14; Holmes, \$7.44; Jefferson, \$7.08; Tuscarawas, \$7.44.

Butler, \$8.00; Clermont, \$6.12; Clinton, \$8.13; Greene, \$8.38; Hamilton, \$7.32; Montgomery, \$8.25; Preble, \$8.57; Warren, \$7.87.

Adams, \$5.88; Brown, \$5.88; Gallia, \$6.30; Highland, \$7.06; Jackson, \$6.42; Lawrence, \$5.88; Pike, \$6.36; Scioto, \$6.84. Athens, \$6.84; Guernsey, \$6.54; Hocking, \$6.42; Meigs, \$6.66; Monroe, \$6.30; Morgan, \$6.96; Muskingum, \$7.14; Noble, \$6.72; Perry, \$6.96; Vinton, \$6.18; Washington, \$6.66.

South Dakota

County—Rate of General Diversion Payment Per Acre

Butte, \$5.99; Corson, \$3.48; Dewey, \$3.48; Harding, \$3.83; Perkins, \$3.83; Ziebach, \$3.11.

Brown, \$4.55; Campbell, \$3.89; Edmunds, \$4.19; Faulk, \$4.07; McPherson, \$4.19; Potter, \$4.25; Spink, \$4.08; Walworth, \$4.07.

Clark, \$4.25; Codington, \$5.03; Day, \$4.73; Douel, \$5.51; Grant, \$5.09; Hamlin, \$5.09; Marshall, \$4.61; Roberts, \$5.03.

Armstrong, \$—; Haakon, \$3.89; Jackson, \$3.53; Lawrence, \$6.29; Meade, \$4.49; Pennington, \$4.73; Stanley, \$3.42.

Aurora, \$3.77; Beadle, \$3.83; Brule, \$3.23; Buffalo, \$3.47; Hand, \$3.53; Hughes, \$3.35; Hyde, \$3.41; Jerauld, \$3.95; Sully, \$3.65.

Brookings, \$6.03; Davison, \$4.31; Hanson, \$4.49; Kingsbury, \$4.91; Lake, \$5.97; McCook, \$5.34; Miner, \$4.50; Minnehaha, \$6.60; Moody, \$6.60; Sanborn, \$4.37.

Bennett, \$4.26; Custer, \$4.31; Fall River, \$3.65; Shannon, \$4.20; Washabaugh, \$3.53; Washington, \$3.59.

Gregory, \$4.31; Jones, \$3.71; Lyman, \$3.29; Mellette, \$3.53; Todd, \$3.71; Tripp, \$3.95; Bon Homme, \$5.47; Charles Mix, \$4.26; Clay, \$6.66; Douglas, \$4.43; Hutchinson, \$5.34; Lincoln, \$6.85; Turner, \$6.41; Union, \$7.04; Yankton, \$6.29.

Wisconsin

County—Rate of General Diversion Payment Per Acre

Barron, \$7.02; Bayfield, \$6.36; Burnett, \$5.82; Chippewa, \$6.54; Douglas, \$6.66; Polk, \$6.66; Rusk, \$6.60; Sawyer, \$5.94; Washburn, \$5.88.

Ashland, \$5.94; Clark, \$6.78; Iron, \$6.18; Lincoln, \$6.18; Marathon, \$6.36; Oneida, \$5.82; Price, \$6.18; Taylor, \$6.66; Vilas, \$5.70.

Florence, \$5.70; Forest, \$6.06; Langlade, \$6.54; Marinette, \$5.76; Oconto, \$6.12; Shawano, \$6.72.

Buffalo, \$7.38; Dunn, \$6.72; Eau Claire, \$6.48; Jackson, \$6.54; LaCrosse, \$7.44; Monroe, \$7.08; Pepin, \$7.08; Pierce, \$7.38; St. Croix, \$6.66; Trempealeau, \$6.90.

Adams, \$4.26; Green Lake, \$7.14; Juneau, \$6.06; Marquette, \$5.64; Portage, \$5.04; Waupaca, \$6.72; Waushara, \$5.22; Wood, \$6.18.

Brown, \$6.96; Calumet, \$7.74; Door, \$6.12; Fond Du Lac, \$7.68; Kewaunee, \$7.08; Manitowac, \$7.74; Outagamie, \$7.44; Sheboygan, \$8.10; Winnebago, \$7.68.

Crawford, \$7.32; Grant, \$8.19; Iowa, \$7.87; Lafayette, \$8.00; Richland, \$7.32; Sauk, \$6.90; Vernon, \$7.26.

Columbia, \$7.31; Dane, \$7.81; Dodge, \$8.34; Green, \$8.13; Jefferson, \$8.22; Rock, \$7.87.

Kenosha, \$7.62; Milwaukee, \$7.50; Ozaukee, \$7.92; Racine, \$7.92; Walworth, \$8.13; Washington, \$8.22; Waukesha, \$7.68.

Part IV, Section 4,¹ is amended by adding at the end thereof the following:

The number of pounds, raw value, of sugar commercially recoverable per ton of sugar beets in each State in the North Central Region in which sugar beets are grown is:

State:	Pounds
Illinois.....	299
Indiana.....	300
Iowa.....	288
Michigan.....	308
Minnesota.....	305
Nebraska.....	290
Ohio.....	297
South Dakota.....	314
Wisconsin.....	299

¹ 2 F. R. 547 (DI).

Done at Washington, D. C., this 28th day of September, 1937. Witness my hand and the seal of the Department of Agriculture.

[SEAL]

H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 37-2896; Filed, September 28, 1937; 12:36 p. m.]

Bureau of Biological Survey.

ORDER PERMITTING HUNTING ON THE UPPER MISSISSIPPI RIVER WILD LIFE AND FISH REFUGE

Pursuant to Section (a) of regulation 1-A of the Regulations for the Administration of the Upper Mississippi River Wild Life and Fish Refuge, public hunting of waterfowl (except Ross's Goose, wood duck, bufflehead duck, ruddy duck, canvas-back duck, red head duck and swans), and of coot and Wilson's snipe or jacksnipe is hereby permitted within said refuge during the period of October 9 to November 7, 1937, both dates inclusive, in the States of Iowa, Minnesota, and Wisconsin, and November 1 to November 30, 1937, both dates inclusive, in the State of Illinois, except on the area specifically scheduled below, but only in conformity with the Migratory Bird Treaty Act Regulations, the Migratory Bird Hunting Stamp Act, the regulations governing said refuge, and laws of the respective States not inconsistent therewith.

MINNESOTA

Houston County

Area Number 1.—All of the lands and waters lying in Township 104 N., Range 4 W., 5th P. M., described as follows: Those parts of the E $\frac{1}{2}$ SW $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 14 lying southerly and westerly of Pine Creek; SE $\frac{1}{4}$ SW $\frac{1}{4}$ E $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, Lots 1, 2, 3 and 4 in Sec. 23; Lots 1, 2, 3, 4 and 5 in Sec. 24; Lots 1, 2, and 5 and NW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 25; N $\frac{1}{2}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 26, all of the lands and waters of Lot 1, Sec. 30, Township 104 N., Range 3 W., 5th P. M.; and all of the lands and waters enclosed by the meandered boundaries of what is known as Target Lake situated in parts of said Sections 23 and 24, and all of the lands and waters enclosed by the meandered boundaries of that portion of what is known as Broken Arrow Slough situated northerly of a straight line drawn between the points of intersection of said slough by the north lines of Lots 2 and 4 of Sec. 25, Township 104 N., Range 4 W., excepting from Lot 2, Sec. 24, Township 104 N., Range 4 W. a rectangular parcel of land surrounding the Edward Hoffman cottage, more particularly described by metes and bounds as follows:

Beginning at Corner 1, a point on the shore of the Mississippi River 75 feet south of the northeast corner of said Lot 2; thence west 29 feet, smoke house falls 5 feet south 150 feet, Corner 2, a 1' x 24' galvanized iron pipe; thence south parallel with the shore line 514 feet, Corner 3; a 1' x 24' galvanized iron pipe; thence east 150 feet, Corner 4, on the shore of the Mississippi River; thence north with the shore line 514 feet to the place of beginning.

Area number 2.—All of the lands and waters lying in Township 103 N., Ranges 3 and 4 W., 5th P. M. described as follows: The NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, and Lots 1 and 2 in Sec. 1; NE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$, and Lots 2, 3, 4, and 5, that portion of Lot 6 east of the C. M. St. P. & P. R. R., and Lots 7 and 8, all in Sec. 12; Lots 1, 2, 3, 4, and 5, that portion of Lot 6 lying easterly of the easterly right of way line of the C. M. St. P. & P. R. R., NW $\frac{1}{4}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ NW $\frac{1}{4}$ in Sec. 13; and all of the lands and waters enclosed by the meandered boundaries of what is known as Lawrence Lake situated in parts of said Sections 12 and 13, all in Township 103 N., Range 4 W., and Fractional Sec. 6, Township 103 N., Range 3 W.

Vernon County

Area number 3.—All of the lands and waters lying in Township 14 N., Range 7 W, 4th P. M. described as follows:

Lots 5, 6, 7, 8 and 9 in Sec. 7; $W\frac{1}{2}SW\frac{1}{4}$ and Lots 7, 8, 9 and 10 in Sec. 17; $SE\frac{1}{4}$, $W\frac{1}{2}NE\frac{1}{4}$, $SE\frac{1}{4}NE\frac{1}{4}$, and Lots 1, 2, 3, 4 and 5 in Sec. 18; $NE\frac{1}{4}$, Lots 2, 3 and 4 in Sec. 19; $NW\frac{1}{4}$, $W\frac{1}{2}SW\frac{1}{4}$, Lots 2, 3, 4 and 5, Sec. 20, excepting however from said Lots 2 and 3 a tract of land described as follows: Beginning at Corner 1, a 7" x 7" x 36" Maple Post above ground, scribed US Cor. 1 placed in the north line of said Lot 2 and 17.71 chains east of the northwest corner thereof, thence East with the north line of said Lot 2, 7.69 chains to Corner 2, a 6" x 6" x 36" Maple Post above ground, scribed HD Cor. 2, thence South across small slough to high bank and with said high bank 26.00 chains to Corner 3, a 4" x 4" x 36" Maple Post above ground, scribed HD Cor. 2 placed on west bank of Crosby Slough just below junction with said small slough, thence West 7.69 chains to Corner 4, an 8" x 8" x 36" Maple Post above ground, scribed US Cor. 4, thence North parallel with east line 26.00 chains to Corner 1, the Place of beginning; and Lot 7 in Sec. 29.

Wabasha County

Area number 4.—All of the lands and waters lying and being in Township 109 N., Range 9 W., 5th P. M., described as follows: That part of the $SE\frac{1}{4}$ Section 19 which is northeasterly of the right of way of the Chicago, Milwaukee, St. Paul and Pacific Railway; $NE\frac{1}{4}$ and $S\frac{1}{2}$ Section 20; all fractional Sections 21, 22 and 27; all Section 28; those parts of Section 29, $NE\frac{1}{4}NE\frac{1}{4}$ Section 30, $NE\frac{1}{4}$ Section 32, $N\frac{1}{2}$ Section 33, and $N\frac{1}{2}$ Section 34 which lie northeasterly of the C. M. St. P. and P. R. R.

Crawford County

Area no. 5.—All of the lands and waters lying in Township 10 N., Ranges 6 and 7 W., 4th P. M., which are enclosed by the following definite boundaries: Starting at the point in fractional Section 14, Township 10 N., Range 7 W., where Lafayette Slough enters the Mississippi River, thence southeasterly along the Mississippi River where it forms the southwesterly boundaries of Fractional Sections 14, 13 and 24, Township 10 N., Range 7 W., and the southerly boundaries of Lot 4 and a portion of Lot 3, both in fractional Section 19, Township 10 N., Range 6 W., to the junction of Capoli Slough with the Mississippi River, thence along Capoli Slough where it forms the southeasterly and easterly boundaries of Lots 3 and 2, Sec. 19, Township 10 N., Range 6 W., and the easterly boundary of Lot 9, Sec. 18, Township 10 N., Range 6 W., to the junction of said Capoli Slough with Winneshiek Slough, thence northerly along Winneshiek Slough where it forms the easterly boundary of Lot 6, Sec. 18, Township 10 N., Range 6 W., to the junction of said Winneshiek Slough with Gordon Slough, thence along Gordon Slough in westerly, northwesterly, northerly and northwesterly directions, successively, through Sections 18 and 7, Township 10 N., Range 6 W., and Sections 12, 1 and 2 in Township 10 N., Range 7 W., to the point in Sec. 2, Township 10 N., Range 7 W., where said Gordon Slough forms a junction with Winneshiek Slough, thence westerly across Winneshiek Slough to its junction with Mink Cut, thence along Mink Cut in southwesterly and westerly directions to a point in Sec. 11, Township 10 N., Range 7 W., where said Mink Cut forms a junction with Swift Slough, thence along Swift Slough in southerly and southwesterly directions to its junction with Lafayette Slough, thence southward along Lafayette Slough to the place of beginning.

Area number 6.—All of the lands and waters lying in Township 10 N., Range 6 W., 4th P. M. which are enclosed by the following definite boundaries: Starting at the point where the south line of Sec. 33 intersects the east bank of the Mississippi River, thence east along the south lines of Secs. 33 and 34 and Lot 5, Sec. 35, to the point where the south line of said Lot 5 intersects the west bank of Winneshiek Slough, thence along Winneshiek Slough in a northwesterly direction through Secs. 35, 34, 27, 22 and 21 to the junction of Winneshiek Slough with Milton Slough, thence along Milton Slough in westerly, northwesterly, westerly, southwesterly

and westerly directions, successively, where said slough intersects parts of Secs. 21, 16, 17 and 20, to the point where the west line of Sec. 20 intersects the south bank of Milton Slough, thence south along the west line of Sec. 20 to the point where the said west line intersects the north bank of Baptiste Slough, thence westerly along Baptiste Slough through a portion of fractional Sec. 19 to the junction of Baptiste Slough with the Mississippi River, thence along the Mississippi River in a southeasterly direction where it forms the southwesterly boundaries of Lot 8, Sec. 19, and of fractional sections 20, 29, 28, and 33, to the Place of beginning.

Area no. 7.—All of the lands and waters lying in Townships 6 and 7 N., Range 7 W., which are enclosed by the following definite boundaries: Starting at the point where the north line of Sec. 35, Township 7 N., Range 7 W., intersects the westerly bank of East Channel, thence along East Channel in a northwesterly direction to the point where the easterly boundary of Lot 4, Sec. 26, Township 7 N., Range 7 W. is intersected by the southerly boundary of the right of way of the toll bridge highway operated by the Prairie du Chien Bridge Company, thence along the southeasterly boundary of said highway right of way in a southwesterly direction across lots 4 and 5, Sec. 26, Township 7 N., Range 7 W., to the point where said southerly boundary of said right of way intersects the westerly boundary of said Lot 5, thence in a southerly direction along the westerly boundaries of said Lot 5, of Lots 3, 4, 5 and 6 of Sec. 35, Township 7 N., Range 7 W., and of Lot 1, Sec. 2, Township 6 N., Range 7 W., to the extreme southerly point of said Lot 1, thence in an easterly direction to the extreme southerly point of Lot 3 of said Sec. 2, thence along East Channel in a northeasterly direction where it forms the southeasterly boundaries of Lot 3 of said Sec. 2, and Lot 2, Sec. 1, Township 6 N., Range 7 W., and the easterly and northeasterly boundaries of Lots 3 and 4, Sec. 36, Lot 9, Sec. 35, and Lot 4, Sec. 26, Township 7 N., Range 7 W., to the place of beginning.

MINNESOTA-IOWA

Houston County, Minnesota

Allamakee County, Iowa

Area number 8.—All of the lands and waters lying in Townships 100 N. and 101 N., Ranges 3 and 4 W., 5th P. M., which are enclosed by the following definite boundaries: Starting at the point where the north line of Sec. 30, Township 101 N., Range 3 W., 5th P. M. intersects the westerly bank of the Mississippi River, thence West along the north line of said Sec. 30 to a meandered lake, thence around the northerly meandered boundary of said lake to the point of intersection of the northerly meander line of said lake with the east line of Sec. 25, Township 101 N., Range 4 W., thence North along the east line of said Sec. 25 to the northeast corner of said Sec. 25, thence West along the north line of said Sec. 25 to the northwest corner of Lot 7 of said Sec. 25, thence south along the west lines of said Lot 7, of the $SE\frac{1}{4}NE\frac{1}{4}$ and of Lot 8, all in said Sec. 25, to the point where the west line of said Lot 8 intersects the northerly meandered boundary of a meandered lake, thence around the westerly meandered boundary of said lake to the point where said meandered boundary is intersected by the south line of said Sec. 25, thence along the south line of said Sec. 25 to the southeast corner of said Sec. 25, thence along the west line of Sec. 31, Township 101 N., Range 3 W., 5th P. M. to the point of intersection of said west line with Minnesota Slough, thence following said Minnesota Slough in southeasterly and southerly directions through Section 31, Township 101 N., Range 3 W., and Sections 6, 7, and 18, Township 100 N., Range 3 W., to the point where the south line of Lot 2, Sec. 18, Township 100 N., Range 3 W., intersects the easterly bank of said Minnesota Slough, thence East along said south line to the southeast corner of said Lot 2, thence south along the west line of Lot 1 of said Sec. 18 to a slough, sometimes referred to as Ferry Slough, thence northeasterly, easterly and southeasterly along said Ferry

Slough, where the same forms the southerly boundaries of said Lot 1, Sec. 18 and Lots 3, 5 and 6, Sec. 17 to the junction of said slough with the Mississippi River, thence northerly and northwesterly along the Mississippi River where it forms the easterly boundaries of fractional Sections 17, 8 and 5, Township 100 N., Range 3 W., and the easterly boundaries of fractional Sections 32, 29 and 30, Township 101 N., Range 3 W., to the place of *beginning*, excepting therefrom Lot 3, Sec. 32, Township 101 N., Range 3 W.

IOWA

Allamakee County

Area number 9.—All of the lands and waters lying in Township 98 N., Range 2 W., 5th P. M., which are enclosed by the following definite boundaries: Starting at the point where the north line of Sec. 28, Township 98 N., Range 2 W., 5th P. M. intersects the westerly bank of Crooked Slough, thence along Crooked Slough in a northwesterly direction to the extreme northerly point of fractional Sec. 21, where Crooked Slough forms a junction with Harpers Slough, thence along Harpers Slough in a southerly direction where it forms the westerly boundaries of said fractional Sec. 21, of Lots 5, 4, 3 and 2, successively, in Sec. 28, of Lot 4, Sec. 33, the northerly boundary of Lot 6, Sec. 33, the westerly boundaries of Lots 2 and 1, Sec. 32, and a part of the southerly boundary of Lot 7, Sec. 33, to the point where said Harpers Slough forms a junction with an unnamed slough opposite the southerly boundary of said Lot 7, thence along said unnamed slough in easterly, northerly, and northwesterly directions, successively, where it forms a part of the southerly boundary of said Lot 7, the southerly, easterly and northerly boundaries of Lot 9, Sec. 33, thence along said slough in a northeasterly direction where said slough separates Lots 3 and 10, Sec. 33, thence along said slough in southeasterly and easterly directions where said slough separates Lots 2 and 10, Sec. 33 and where said slough forms the southwesterly and southerly boundaries of Lot 1, Sec. 33 and the southerly and southeasterly boundaries of Lot 1, Sec. 34, to the junction of said slough with Crooked Slough, thence along Crooked Slough in northwesterly, northerly and northwesterly directions, successively, to the place of *beginning*.

Area number 10.—All of the lands and waters lying in Township 97 N., Range 2 W., 5th P. M., which are enclosed by the following definite boundaries: Starting at a point where the north line of Sec. 8, Township 97 N., Range 2 W., intersects the westerly bank of St. Paul Slough, thence following said Slough in northeasterly, easterly, southerly, north-easterly and northerly directions, successively, where it forms the boundary of Lot 7, Sec. 5, Township 97 N., Range 2 W., to its junction with Harpers Slough, thence following said Harpers Slough in westerly and southwesterly directions where it forms the northerly boundaries of Lots 7, 6, and 5, Sec. 5, Township 97 N., Range 2 W., and the westerly boundaries of Lot 5, Sec. 5; Lot 11, Sec. 8; Lots 2 and 1, Sec. 7; Lots 1, 2, and 8, Sec. 18; and Lot 5, Sec. 19, all in Township 97 N., Range 2 W., thence from the southerly point of said Lot 5, Sec. 19, to the northwest corner of Lot 4, Sec. 19, Township 97 N., Range 2 W., thence along the westerly boundary of said Lot 4 to the southwest corner thereof, thence following the slough in southerly, southeasterly, and easterly directions, successively, where it forms the westerly and southerly boundaries of Lot 9, Sec. 19, Township 97 N., Range 2 W., to the junction of said slough with McDonald Slough, thence easterly across McDonald Slough to its junction with the Mississippi River, thence in a northeasterly direction along the Mississippi River to its junction with St. Paul Slough, thence up St. Paul Slough in a general northerly direction to the place of *beginning*, excepting therefrom the following described parcel of land in Lots 3 and 4, Sec. 17, Township 97 N., Range 2 W.; *beginning* at Corner 1, a blazed birch tree, 14 inches in diameter on the bank of St. Paul Slough, near its mouth, and 16 rods south of the northeast corner of said

Lot 3, The U. S. Principal Bench Mark #225, a 4 inch Iron Pipe, bears South 63 degrees 30 minutes East across the Mississippi River, the Frank Caya Cottage bears North two rods; thence West, 25 rods to Corner 2, a willow stake; thence North 7 degrees East 90 rods to Corner 3, a willow stake; Thence East, 25 rods to Corner 4, a blazed elm tree 38 inches in diameter on the west bank of St. Paul Slough; thence southwesterly, with the west bank of St. Paul Slough to the place of *beginning*, said exception containing fourteen (14) acres more or less.

Jackson County

Area number 11.—All of the lands and waters in Township 85 N., Range 5 E., 5th P. M. which are described as follows: That part of the E $\frac{1}{2}$ NW $\frac{1}{4}$ of Sec. 10 and that part of the E $\frac{1}{2}$ of Sec. 10 which lie northerly and easterly of the right of way of the C. M. St. P. R. R. as it is at present maintained and operated; the N $\frac{1}{2}$ of Sec. 11 and the N $\frac{1}{2}$ SW $\frac{1}{4}$ of Sec. 11; and the W $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, and Lots 1 and 2 of Sec. 12.

Area number 12.—All of the lands and waters lying in Township 85 N., Range 6 E., 5th P. M., locally known as Railroad Island, and described as follows: Lots 1 and 2, Sec. 15; Lots 1, 2, and 3 and NE $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 22; Lots 1, 2, 3, 4 and 5, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$, Sec. 23; Fractional Sec. 24, Lots 1 and 2, Sec. 25; Lots 1, 2, and 3, Sec. 26.

WISCONSIN

Buffalo County

Area number 13.—All of the lands and waters lying and being in Sections 6, 7, 16, 17, 18, 19, 20, 21, Township 22 N., Range 13 W., 4th P. M., Sections 1, 2, 3, 4, 10, 11, 12, 13, Township 22 N., Range 14 W., 4th P. M., and Sections 33, 34, 35, 36, Township 23 N., Range 14 W., 4th P. M., which are enclosed by the following definite boundaries: *Beginning* at the point of intersection of the Old Wabasha-Nelson Ferry Road with the tracks of the Chicago, Burlington & Quincy Railroad in the NW $\frac{1}{4}$ Section 6, Township 22 N., Range 13 W.; thence southwesterly along the said ferry road to the slough known as Beef Slough in the NW $\frac{1}{4}$ Section 12, Township 22 N., Range 14 W.; thence southeasterly along the main channel of the said Beef Slough to the Mississippi River in Section 21, Township 22 N., Range 13 W.; thence northwesterly along the Mississippi River to the Chippewa River; thence northerly along the Chippewa River to the C. B. & Q. Railway tracks in the SE $\frac{1}{4}$ Section 33, Township 23 N., Range 14 W.; thence southeasterly along the said railroad tracks to the point of *beginning*; excepting therefrom the following described lands: S $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ Section 1; SW $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ Section 2, Township 22 N., Range 14 W., 4th P. M., NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 34, Township 23 N., Range 14 W.

Area number 14.—All of the lands and waters lying and being in Township 20 N., Range 12 W., 4th P. M., described as follows: Lots 9, 10, 11, and 12 in Section 7; Lots 5, 6, 7, 8, 10, 11, 12, 13, and E $\frac{1}{2}$ SW $\frac{1}{4}$ Section 18; Lots 2, 3, 4, and 5 Section 19; Lots 8, 9, and 10 Section 20; and Lot 2 Section 29, and all of the lands and waters lying and being in Township 20 N., Range 13 W., 4th P. M., described as follows: Lots 12, 13, and 14 Section 1; all fractional Sections 12, 13, and 24, the said lands and waters comprise the island known as Lost Island.

Hunting on private lands within the exterior boundaries of the said refuge is not affected by this order but is subject to such provisions of the State Laws and the Migratory Bird Treaty Act and the regulations thereunder as may apply.

[SEAL]

H. A. WALLACE,
Secretary of Agriculture.

Dated, September 28, 1937.

[F. R. Doc. 37-2893; Filed, September 28, 1937; 12:34 p. m.]

Farm Security Administration.

[Administration Order 41 (Rev. 1) (Suppl. 8) ¹]

LOANS TO INDIVIDUALS FOR RURAL REHABILITATION

SEPTEMBER 15, 1937.

1. Effective fifteen days from the date of this Supplement, paragraph 7c I of AO 41 (Rev. 1) is amended to read as follows:

"7c-I. Regional directors are authorized to delegate to assistant regional directors in charge of RR and/or to regional chiefs of Loan and Collections sections the authority granted to them in paragraphs 7a and b of this Order, except that the authority to approve loans exceeding one thousand dollars (\$1,000) and not exceeding two thousand dollars (\$2,000) is reserved to regional directors and may be delegated by them to assistant regional directors in charge of RR, or in the absence of the latter, to regional chiefs of Loan and Collections sections for stated periods covering such absences. Loans exceeding two thousand dollars (\$2,000) and not exceeding five thousand dollars (\$5,000) must be approved personally by the regional director or by an assistant regional director who has been properly designated in writing by the regional director to act for him during his temporary absence. (Such designee will sign documents with his own signature and will place under his name, 'For the Regional Director.') All loans exceeding five thousand dollars (\$5,000) will be submitted to the Administrator for approval."

2. Effective fifteen days from the date of this Supplement, paragraph 7c II of AO 41 (Rev. 1) is amended to read as follows:

"7c-II. Regional directors may delegate to state RR directors, assistant state RR directors, and district and county RR supervisors, the authority specified in paragraph 7b I, III, IV, and V of this Order."

3. Effective fifteen days from the date of this Supplement, paragraph 7c III A of AO 41 (Rev. 1) is amended to read as follows:

"7c-III. A. When authority is delegated under this Order to an assistant regional director designated to act for the regional director, an assistant regional director in charge of RR and/or a regional chief of a Loan and Collections section, a signed copy of the delegation of authority will be made available to the regional FC manager."

4. Recipients will check AO 41 (Rev. 1) to insure reference to this Supplement at the points mentioned above.

WILL W. ALEXANDER, Administrator.

Approved, September 15, 1937.

H. A. WALLACE,

Secretary of Agriculture.

[F. R. Doc. 37-2885; Filed, September 27, 1937; 2:45 p. m.]

DEPARTMENT OF COMMERCE.

Bureau of Marine Inspection and Navigation.

AMENDMENTS TO EXISTING REGULATIONS THAT ESTABLISH LOAD LINES FOR MERCHANT VESSELS OF 150 GROSS TONS OR OVER WHEN ENGAGED ON A FOREIGN VOYAGE BY SEA, A COASTWISE VOYAGE BY SEA, A GREAT LAKES VOYAGE

ESTABLISHMENT OF SUBDIVISION LOAD LINES ON CERTAIN PASSENGER VESSELS ENGAGED ON A VOYAGE BY SEA OR A VOYAGE ON THE GREAT LAKES

Pursuant to the authority granted to the Secretary of Commerce under Section 2 of the Load Line Act, 1929, (46 U. S. C. 85a) and in conformity with the International Load

¹ Supersedes AO 41 (Rev. 1) (Suppl. 1), 5/18/36; AO 176, paragraph 10a, 6/25/36. Amends AO 152, 6/9/36. This Supplement broadens the delegation of authority to approve loans and changes the amounts of the loans which may be approved by the authorized officials.

Line Convention, 1930, and under Section 2 of the Coastwise Load Line Act, 1935, amended June 20, 1936, (46 U. S. C. 88a) existing regulations for the establishment of load lines for merchant vessels of the United States of 150 gross tons or over when engaged in a foreign or coastwise voyage by sea (the Great Lakes excepted) and regulations for the establishment of load lines for merchant vessels of 150 gross tons and over when engaged in a voyage on the Great Lakes, subject to the provisions of the acts, supra, are hereby amended as set forth in Supplements 1, 2 and 3 appended hereto.

Pursuant to the authority granted to the Secretary of Commerce under Section 2 of the Coastwise Load Line Act, 1935, as amended June 20, 1936 (46 U. S. C. 88a), and Executive Order 7548, and in conformity with the International Convention for Safety of Life at Sea, 1929; regulations are hereby established and promulgated as set forth in Supplement 4 appended hereto for locating Subdivision Load Lines on passenger vessels subject to the provisions of the Coastwise Load Line Act, 1935, as amended June 20, 1936, and the International Convention for Safety at Sea, 1929, making Coastwise Voyages by Sea, Coastwise and Foreign Voyages on the Great Lakes, and Foreign Voyages by Sea.

[SEAL]

DANIEL C. ROPER,
Secretary of Commerce.

Approved, September 28, 1937.

[Supplement 1—Section A]

AMENDMENTS TO THE PRESENT REGULATIONS FOR THE ESTABLISHMENT OF LOAD LINES FOR MERCHANT VESSELS OF 150 GROSS TONS OR OVER WHEN ENGAGED IN AN OCEAN VOYAGE

[Reference herein to page, paragraph, and line is to the 1935 edition of the Regulations for the Establishment of Load Lines for Merchant Vessels of 150 Gross Tons or Over When Engaged in a Foreign Voyage by Sea]

(a) On page 1, denote these regulations as "Section A."

(b) Delete the caption or title on page 1 and substitute the following caption: "Regulations for the Establishment of Load Lines for Merchant Vessels of 150 Gross Tons or Over When Engaged on a Foreign or Coastwise Voyage." (See Sections B and C for regulations relating to steam colliers, tugs, barges, self-propelled barges, and Great Lakes vessels.)

(c) In the first line of Paragraph 1, page 1, after the word "for", insert "(i)". To the last line add the following: "and for (ii) merchant vessels of 150 gross tons or over when engaged in a coastwise voyage by sea from one port or place in the United States or its possessions to another port or place in the United States or its possessions and passes outside the line dividing inland waters from the high seas as defined in Section 2 of the act of February 19, 1895, in conformity with the Coastwise Load Line Act of 1935, amended June 20, 1936, effective for vessels of 4,000 gross tons and over November 27, 1935, and for other vessels covered by the act, August 27, 1936."

(See section C for load line regulations applicable to the Great Lakes.)

(d) Paragraph 2. Delete this paragraph and the quoted act to conform with Federal Register Regulations.

(e) Renumber paragraphs to and including paragraph 20 (old), making such alterations to paragraph numbers in the text as is necessary to preserve existing reference.

(f) Change all references from "Bureau of Navigation and Steamboat Inspection" to "Bureau of Marine Inspection and Navigation."

(g) Paragraph 3 (old), fourth line, delete the words "and of". Add at the end of last line the following: "and Coastwise Load Line Act of 1935, as amended June 20, 1936."

(h) Paragraph 4 (old). Delete from the second line the following words: "on an international voyage." From the fifth line delete the following: "on an international voyage" and "after January 1, 1933."

Add to paragraph "(C) An existing ship—" the following subparagraph:

"(c) Where it is neither reasonable nor practicable to comply with these regulations in their entirety, the assigning authority will, in each case, report to the Bureau of Marine Inspection and Navigation the specific matters in which the vessel is deficient, together with such recommendations as may seem desirable. Upon receipt of this report the Bureau shall determine such addition to the freeboard as will, in the judgment of the Bureau, make the vessel as safe as if it had fully complied with the regulations."

(i) Paragraph 5a (old). Delete the following words from the seventh line: "when engaged on a foreign voyage." In paragraph 5b, delete the following from the fourth line: "on a foreign voyage." In paragraph 5c, delete the following from the sixth line: "foreign." In paragraph 5d delete the word "foreign" from the fourth line.

(j) Paragraph 7 (old). Delete the paragraph and substitute therefor a new paragraph as follows:

"6. Definition of new and existing ships—

"(a) For the purpose of marking and certification of load lines on the International form, a "new ship" is one whose keel was laid on or after July 1, 1932, all other ships being regarded as existing ships.

"(b) For the purpose of marking and certification of load lines on the Coastwise form, a "new ship" is one whose keel was laid—

"(i) if of 4,000 gross tons and over, on or after November 27, 1935;

"(ii) if less than 4,000 gross tons, on or after August 27, 1936;

"(iii) all other ships being regarded as existing ships.

(k) Paragraph 10 (old). In the second line, after the date "1929", add the following: "and August 27, 1935."

(l) Paragraph 17 (old). Add the following words to the title of the paragraph, "Renewal of certificates." In the fourth line, following the date "1929", add the following: "and August 27, 1935, as amended June 20, 1936." In the sixth and tenth lines, delete the words "four years" and substitute therefor the words "five years."

Delete the following Provision, beginning in the twelfth line: "Provided, That where in the judgment of the assigning authority an unusual hardship would be inflicted on the vessel were she to be detained for the survey required by these regulations, and provided further that the assigning authority is satisfied as to the condition of the vessel it may, in writing, excuse the vessel from the survey for a period not to exceed one year."

In the second subparagraph, ninth line, delete the word "four" and substitute therefor the word "five", and in the tenth line, delete the word "third" and substitute the word "fourth."

In the third subparagraph of paragraph 17, beginning with the third line, delete the following: "The Bureau of Navigation, and Steamboat Inspection, Department of Commerce, shall also be furnished with a copy of any deferment of the due survey, together with a statement of the circumstances in the case."

(m) Paragraph 18 (old). Delete the entire paragraph and substitute therefor the following:

"17. Forms of load line certificates.—The form of certificate certifying to the correctness of the load line mark assigned under these regulations shall be as shown in Appendix B, as follows:

"(a) International Load Line Certificate issued to United States vessels engaged in foreign voyages, applicable as stated:

A1 For general use.

A2 For sailing ships.

A3 General use combined with timber deck cargo.

"(b) For foreign vessels belonging to countries that have not ratified or acceded to the International Load Line Convention, 1930.

B For general use.

"(c) Coastwise Load Line Certificate issued to United States vessels engaged solely in coastwise voyages (other than Special Services provided for by Section B of the Load Line Regulations).

C1 For general use.

C2 For sailing ships.

C3 General use combined with timber deck cargo.

"The assigning authority may provide forms similar to the above, these forms to be approved by the Secretary of Commerce before being issued."

(n) Paragraph 20 (old). In the second line, following the date "1929", add the following: "and August 27, 1935, as amended."

(o) Paragraph 21 (old). Delete the entire paragraph and substitute therefor the following:

"20. Log book entries.—The master of a vessel subject to these regulations shall note in the vessel's log the data required by Section 6 of the Load Line Act of March 2, 1929, and the Coastwise Load Line Act, 1935, as amended; that is, before departing from her loading port or place, the position of the load line mark, port and starboard, as applicable to the voyage and the actual drafts of the vessel forward and aft at the time of departing from port as nearly as the same can be ascertained.

"21. Control.—The Collector of Customs may detain a vessel for survey if he has reason to believe that the vessel is proceeding on her voyage in excess of the draft allowed by the load line certificate, due regard being given to the season of the year; or has not been marked with load lines, or has not a valid load line certificate on board.

"Pursuant to the provisions of Section 5 of the Load Line Act of March 2, 1929, and the Coastwise Load Line Act, 1935, as amended, it is hereby certified that a vessel of a foreign country which has ratified the International Load Line Convention, 1930, shall be deemed a vessel of a foreign country as described in Sections 5 of the cited acts, and such a vessel shall be exempt from the provisions of these regulations in so far as the marking of the load lines and the certificating thereof are concerned, only so long as such country similarly recognizes the load lines established by these regulations, for the purpose of a voyage by sea: *Provided*, That the vessel is marked with load lines and has on board a valid load line certificate certifying to the correctness of the marks, the ship shall not be loaded beyond the limits allowed by the certificate, the position of the load line of the ship shall correspond with the certificate, the hull and superstructures shall not have been so materially altered as to affect the calculations on which the load line was based and alterations have not been made so that the protection of openings, guard rails, freeing ports, and means of access to crews' quarters have made the ship manifestly unfit to proceed to sea without danger to human life.

"As provided in Sections 7 of the Load Line Act of March 2, 1929, and the Coastwise Load Line Act, 1935, as amended, the Collector of Customs may, by written order, detain provisionally a foreign vessel for survey should he have reason to believe that such vessel is submerged below the marks allowed by the certificate, or that such vessel is not marked and certificated as provided herein. If a foreign vessel is detained for these reasons the Collector of Customs will immediately arrange for a survey as contemplated by Sections 7 of such acts.

"Should it become necessary for the Collector of Customs to survey a vessel in respect to her load line as provided by Sections 7 of the Load Line Act of March 2, 1929, or the Coastwise Load Line Act, 1935, as amended, the Collector shall, wherever practicable, appoint at least one of the three

surveyors required by the act from the surveying staff of the American Bureau of Shipping.

"Should action be taken that would appear likely to result in legal proceedings being taken against a foreign ship, or should the ship be detained, the Consul of the country to which the ship belongs shall be informed as soon as possible of the circumstances of the case."

(p) Rule 4. In the subparagraph beginning with the title "Fresh-water load lines," add at the end of the paragraph, after the letters "TF", the following: "This provision for deeper loading in fresh water is not applicable to the Great Lakes."

Delete the last paragraph of Rule 4, beginning with the words, "Where a minimum freeboard" and ending with the words, "as provided in rule 4," and substitute the following paragraph:

"Where the draft is restricted on a basis of subdivision or stability and this draft is less than any of the various seasonal drafts permitted by these regulations the center of the disk shall be located on the line of this restricted draft and it shall be applicable to all zones and seasons. If such a permissible maximum draft comes between the seasonal markings, the seasonal markings below shall also be added. A fresh-water load line may be marked forward of the disk as provided in this rule."

(q) To Part 3, add the following as a third paragraph:

"Passenger vessels—Subdivision and stability load lines.—Where in passenger vessels the position of the maximum load lines are determined by the application of subdivision and stability regulations as provided in Section D pertaining to passenger vessels in the ocean and coastwise trades, the provisions of the regulations herein shall also be effective in so far as they are applicable."

(r) Part 8. From the first paragraph, fourth line, delete the following: "on a foreign voyage."

(s) Part 9. Under the general heading "Summer Zones", paragraph (6), add as a sentence at the end of subparagraph (a), immediately following the words "south of lat. 11° S," the following: "Mackay is to be considered as being on the boundary of the 'seasonal tropical' and the 'summer' zones."

(t) Appendix B. Delete the forms of load line certificates shown and substitute the following forms:

APPENDIX B, (TO SECTION A)

Forms of Load Line Certificates

[Form A 1]

INTERNATIONAL LOAD LINE CERTIFICATE

Issued under the authority of the United States of America, Department of Commerce under the provisions of the International Load Line Convention, 1930

[SEAL]

Issued by _____
Certificate No. _____
Name of Ship _____ Official Number _____
Port of Registry _____ Gross Tonnage _____

Freeboard from Deck Line

Load Line

Tropical _____ (T) _____ Above (S)
Summer _____ (S) Upper edge of line through center of disk.

Winter _____ (W) _____ Below (S)
Winter (North Atlantic) _____ (WNA) _____ Below (S)

*Allowance for fresh water for all freeboards _____

(All measurements are to upper edges of the respective horizontal lines)

The upper edge of the deck line from which these freeboards are measured is _____ inches above the top of the _____ deck at side.

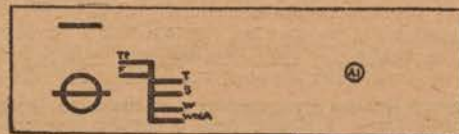


FIGURE A-1.

This is to certify that this ship has been surveyed and the freeboards and load lines shown above have been assigned in accordance with the Convention.

**This certificate remains in force until _____
Issued at _____ on the _____ day of _____, 19____

(Here follows the signature or seal and description of the assigning authority.)

NOTE.—In accordance with the Load Line Regulations, the disk and lines must be permanently marked by center punch marks or cutting. Letters indicating the assigning authority are to be marked alongside the disk and above the center line. Periodic inspections are to be made at intervals of approximately twelve months.

*Where seagoing steamers navigate a river or inland water, deeper loading is permitted corresponding to the weight of fuel, etc., required for consumption between the point of departure and the open sea.

**At the expiration of this certificate, renewal should be obtained in accordance with the Load Line Regulations and if upon examination the ship is found to be in a satisfactory condition, this certificate will be extended and so indorsed on the reverse side.

(On the reverse side of the load line certificate, or on a separate sheet attached and forming part of the certificate, provision is to be made for annual inspection and renewal endorsements.)

(Reverse side of certificate)

Annual Inspections

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

Renewal of Load Line Certificate

The provisions of the Convention being fully complied with by this ship, this certificate is renewed until _____, 19____

Place _____
Date _____

Assigning Authority

By _____
(Surveyor)

Annual Inspections

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

Notes

*The Winter North Atlantic Load Line applies for voyages across the North Atlantic Ocean north of latitude 36° N., during the winter months as defined by the Load Line Regulations. The periods during which the other seasonal load lines apply in different parts of the world are as stated in the Load Line Regulations.

*This Load Line Certificate will be canceled by the Department of Commerce if—

(a) The periodic inspections have not been carried out.

(b) Material alterations have been made to the hull or superstructures which would affect the calculations determining the position of the load lines.

(c) The fittings and appliances for the protection of the openings, guard rails, freeing ports, or the means of access to the crew's quarters have not been maintained in as effective a condition as they were when the Certificate was issued.

*When this Certificate has expired or been canceled, it must be delivered to the Assigning Authority.

Appliances for Closing Access Openings in Bulkheads at Ends of Detached Superstructures

Forecastle _____
Bridge, Fore end _____
Bridge, After end _____
Poop _____

Temporary Appliances for Closing Openings in Superstructure Decks

APPENDIX B (TO SECTION A)

[Form A 2]

INTERNATIONAL LOAD LINE CERTIFICATE

Issued under the authority of the United States of America, Department of Commerce under the provisions of the International Load Line Convention, 1930.

[SEAL]
Issued by _____
Certificate No. _____
Name of Ship _____ Official No. _____
Port of Registry _____ Gross Tonnage _____

Freeboard from deck line	Load Line
Tropical _____	Upper edge of line through center of disk.
Summer _____	_____
Winter _____	_____
Winter-North Atlantic _____ (WNA)	(Below) Upper edge of line through center of disk.

Allowance for fresh water for all freeboards.
(All measurements are to upper edges of the respective horizontal lines)

The upper edge of the deck line from which these freeboards are measured is _____ inches above the top of the back at side.

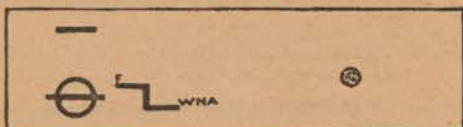


Figure A-2

This is to certify that this ship has been surveyed and the freeboards and load lines shown above have been assigned in accordance with the Convention.

*This certificate remains in force until _____
Issued at _____ on the _____ day of _____, 19____

(Here follows the signature or seal and description of the assigning authority.)

NOTE.—In accordance with the Load Line Regulations, the disk and lines must be permanently marked by center punch marks or cutting. Letters indicating the assigning authority are to be marked alongside the disk and above the center line. Periodic inspections are to be made at intervals of approximately twelve months.

*At the expiration of this certificate, renewal should be obtained in accordance with the Load Line Regulations and if upon examination the ship is found to be in a satisfactory condition, this certificate will be extended and so indorsed on the reverse side.

(On the reverse side of the load line certificate, or on a separate sheet attached and forming part of the certificate, provision is to be made for annual inspection and renewal endorsements.)

(Reverse side of Certificate)

Annual Inspections

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

Renewal of Load Line Certificate

The provisions of the Convention being fully complied with by this ship, this certificate is renewed until _____, 19____
Place _____
Date _____

Assigning Authority
By _____
(Surveyor)

Annual Inspections

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

Notes

¹The Winter North Atlantic Load Line applies for voyages across the North Atlantic Ocean north of latitude 36° N., during the winter months as defined by the Load Line Regulations.

²This load line Certificate will be canceled by the Department of Commerce if—

(a) The periodic inspections have not been carried out.

(b) Material alterations have been made to the hull or superstructures which would affect the calculations determining the position of the load lines.

(c) The fittings and appliances for the protection of the openings, guard rails, freeing ports, or the means of access to the crew's quarters have not been maintained in as effective a condition as they were when the Certificate was issued.

*When this Certificate has expired or been canceled, it must be delivered to the Assigning Authority.

Appliances for Closing Access Openings in Bulkheads at Ends of Detached Superstructures

Forecastle _____
Bridge, Fore end _____
Bridge, After end _____
Poop _____

Temporary Appliances for Closing Openings in Superstructure Decks

APPENDIX B (TO SECTION A)

[Form A 3]

INTERNATIONAL LOAD LINE CERTIFICATE

Issued under the authority of the United States of America, Department of Commerce under the provisions of the International Load Line Convention, 1930.

[SEAL]
Issued by _____
Certificate No. _____
Name of Ship _____ Official No. _____
Port of Registry _____ Gross Tonnage _____

Freeboard from deck line	Load line
Tropical _____ (T) _____ Above (S)	_____
Summer _____ (S) _____ Upper edge of line through center of disk.	_____
Winter _____ (W) _____ Below (S)	_____
Winter (North Atlantic) _____ (WNA) _____ Below (S)	_____

*Allowance for fresh water for all freeboards _____

The timber freeboards given in this certificate are applicable only when this ship carries a timber deck cargo and complies with the

special requirements of the Load Line Regulations regarding timber deck cargoes.

Freeboards from deck line	Load line	
Tropical (Timber) -----	(LT) -----	Above (S)
Summer (Timber) -----	(LS) -----	Above (S)
Winter (Timber) -----	(LW) -----	Above (S)
Winter North Atlantic (Timber) --	(LWNA) -----	Below (S)

(All measurements are to upper edges of the respective horizontal lines.)

The upper edge of the deck line from which these freeboards are measured is ----- inches above the top of the ----- deck at side.

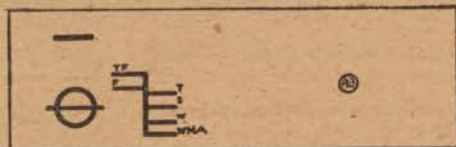


FIGURE A-3.

This is to certify that this ship has been surveyed and the freeboards and load lines shown above have been assigned in accordance with the Convention.

**This certificate remains in force until ----- on the ----- day of -----, 19-----.

(Here follows the signature or seal and description of the assigning authority.)

NOTE.—In accordance with the Load Line Regulations, the disk and lines must be permanently marked by center punch marks or cutting. (The diagram showing the timber load line marks is to be inserted above by the assigning authority.) Letters indicating the assigning authority are to be marked alongside the disk and above the center line. Periodic inspections are to be made at intervals of approximately twelve months.

*Where seagoing steamers navigate a river or inland water, deeper loading is permitted corresponding to the weight of fuel, etc., required for consumption between the point of departure and the open sea.

**At the expiration of this certificate, renewal should be obtained in accordance with the Load Line Regulations and if upon examination the ship is found to be in a satisfactory condition, this certificate will be extended and so indorsed on the reverse side.

(On the reverse side of the load line certificate, or on a separate sheet attached and forming part of the certificate, provision is to be made for annual inspection and renewal endorsements.)

(Reverse side of certificate)

Annual Inspections

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) (Place) (Date)

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) (Place) (Date)

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) (Place) (Date)

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) (Place) (Date)

Renewal of Load Line Certificate

The provisions of the Convention being fully complied with by this ship, this certificate is renewed until -----, 19-----.

Place ----- Assigning Authority

Date ----- By ----- (Surveyor)

Annual Inspections

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) (Place) (Date)

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) (Place) (Date)

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) (Place) (Date)

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) (Place) (Date)

Notes

¹The Winter North Atlantic Load Line applies for voyages across the North Atlantic Ocean north of latitude 36° N., during the winter months as defined by the Load Line Regulations. The periods during which the other seasonal load lines apply in different parts of the world are as stated in the Load Line Regulations.

²This Load Line Certificate will be canceled by the Department of Commerce if—

- (a) The periodic inspections have not been carried out.
- (b) Material alterations have been made to the hull or superstructures which would affect the calculations determining the position of the load lines.
- (c) The fittings and appliances for the protection of the openings, guard rails, freeing ports, or the means of access to the crew's quarters have not been maintained in as effective a condition as they were when the Certificate was issued.

³When this Certificate has expired or been canceled, it must be delivered to the Assigning Authority.

Appliances for Closing Access Openings in Bulkheads at Ends of Detached Superstructures

Forecastle -----
Bridge, Fore end -----
Bridge, After end -----
Poop -----

Temporary Appliances for Closing Openings in Superstructure Decks

APPENDIX B, (TO SECTION A)

[Form B]

(To be issued to foreign vessels belonging to countries that have not ratified or acceded to the International Load Line Convention, 1930.)

LOAD LINE CERTIFICATE

Issued under the authority of the Department of Commerce, United States of America, under the provisions of the act of March 2, 1929, to establish load lines for American merchant vessels of 150 gross tons or over engaged in foreign trade.

[SEAL]

Issued by -----
Certificate No. -----
Name of Ship ----- Official No. -----
Port of Registry ----- Gross Tonnage -----

Freeboard from deck line	Load Line
Summer in tropical seas -----	(T) ----- Above (S)
Summer -----	(S) ----- Upper edge of Line through center of disk.
Winter -----	(W) ----- Below (S)
Winter in North Atlantic -----	(WNA) ----- Below (S)

* Allowance for fresh water for all freeboards.

The upper edge of the deck line from which these freeboards are measured is ----- inches above the top of the ----- deck at side.



FIGURE B.

This is to certify that this ship has been surveyed and the freeboards and load lines shown above have been found to be correctly marked upon the vessel in manner and location as provided by the load line regulations of the Department of Commerce.

**This certificate remains in force until _____
Issued at _____ on the _____ day of _____, 19____.

(Here follows the signature or seal and the description of the authority issuing the certificate.)

NOTE.—In accordance with the Load Line Regulations, the disk and lines must be permanently marked by center punch marks or cutting. Letters indicating the assigning authority are to be marked alongside the disk and above the center lines. This certificate is limited to one year and must be renewed annually.

*Where seagoing steamers navigate a river or inland water, deeper loading is permitted corresponding to the weight of fuel, etc., required for consumption between the point of departure and the open sea.

**At the expiration of this certificate, renewal should be obtained in accordance with the Load Line Regulations and if upon examination the ship is found to be in a satisfactory condition, this certificate will be extended and so indorsed on the reverse side.

(On the reverse side of the load line certificate, or on a separate sheet attached and forming part of the certificate, provision is to be made for renewal indorsements.)

(Reverse side of certificate)

Renewal of Load Line Certificate

The provisions of the regulations of the Department of Commerce, determining load lines being fully complied with by this ship, this certificate is renewed till _____

Place _____ Date _____
Signature or seal and description of authority.

The provisions of the regulations of the Department of Commerce, determining load lines being fully complied with by this ship, this certificate is renewed till _____

Place _____ Date _____
Signature or seal and description of authority.

Notes

¹The Winter North Atlantic Load Line applies for voyages across the North Atlantic Ocean north of latitude 36° N., during the winter months as defined by the Load Line Regulations. The periods during which the other seasonal load lines apply in different parts of the world are as stated in the Load Line Regulations.

*This Load Line Certificate will be canceled by the Department of Commerce if—

(a) Material alterations have been made to the hull or superstructures which would affect the calculations determining the position of the load lines.

(b) The fittings and appliances for the protection of the openings, guard rails, freeing ports, or the means of access to the crew's quarters have not been maintained in as effective a condition as they were when the Certificate was issued.

*When this Certificate has expired or been canceled, it must be delivered to the Assigning Authority.

Appliances for Closing Access Openings in Bulkheads at Ends of Detached Superstructures

Forecastle _____
Bridge, Fore end _____
Bridge, After end _____
Poop _____

Temporary Appliances for Closing Openings in Superstructure Decks

APPENDIX B, (TO SECTION A)

[Form C 1]

COASTWISE LOAD LINE CERTIFICATE

Issued under the authority of the United States of America, Department of Commerce under the provisions of the Coastwise Load Line Act, 1935.

[SEAL]

Issued by _____
Certificate No. _____ Official No. _____
Name of Ship _____ Gross Tonnage _____
Port of Registry _____

Freeboard From Deck Line _____ Load Line _____
Tropical _____ (T) _____ Above (S) _____
Summer _____ (S) _____ Upper edge of Line through center of disk.
Winter _____ (W) _____ Below (S) _____

*Allowance for fresh water for all freeboards.
(All measurements are to upper edges of the respective horizontal lines.)

The upper edge of the deck line from which these freeboards are measured is _____ inches above the top of the _____ deck at side.

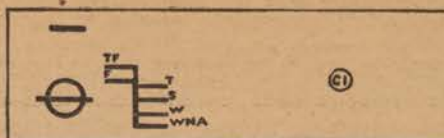


FIGURE C-1.

This is to certify that this ship has been surveyed and the freeboards and load lines shown above have been assigned in accordance with the Department of Commerce Coastwise Load Line Regulations.

**This certificate remains in force until _____
Issued at _____ on the _____ day of _____, 19____.

(Here follows the signature or seal and description of the assigning authority.)

NOTE.—In accordance with the Load Line Regulations the disk and lines must be permanently marked by center punch marks or cutting. Letters indicating the assigning authority are to be marked alongside the disk and above the center line. Periodic inspections are to be made at intervals of approximately twelve months.

*Where seagoing steamers navigate a river or inland water, deeper loading is permitted corresponding to the weight of fuel, etc., required for consumption between the point of departure and the open sea.

**At the expiration of this certificate, renewal should be obtained in accordance with the Load Line Regulations and if upon examination the ship is found to be in a satisfactory condition, this certificate will be extended and so indorsed on the reverse side.

(On the reverse side of the load line certificate, or on a separate sheet attached and forming part of the certificate, provision is to be made for annual inspection and renewal indorsements.)

Annual Inspections

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____
I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____
I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____
I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

Renewal of Load Line Certificate

The provisions of the Coastwise Load Line Regulations of the Department of Commerce being fully complied with by this ship, this certificate is renewed until _____, 19____.

Place _____ Assigning Authority _____
Date _____ By _____ (Surveyor)

Annual Inspection

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____
I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____
I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____
I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

Notes

¹The periods and areas during which the seasonal load lines apply are as stated in the Load Line Regulations.

²This Load Line Certificate will be canceled by the Department of Commerce if—

- (a) The periodic inspections have not been carried out.
- (b) Material alterations have been made to the hull or superstructures which would affect the calculations determining the position of the load lines.
- (c) The fittings and appliances for the protection of the openings, guard rails, freeing ports, or the means of access to the crew's quarters have not been maintained in as effective a condition as they were when the Certificate was issued.

³When this Certificate has expired or been canceled, it must be delivered to the Assigning Authority.

Appliances for Closing Access Openings in Bulkheads at Ends of Detached Superstructures

Forecastle _____
 Bridge, Fore end _____
 Bridge, After end _____
 Poop _____

Temporary Appliances for Closing Openings in Superstructure Decks

APPENDIX B (TO SECTION A)

[Form C 2]

Coastwise Load Line Certificate

Issued under the authority of the United States of America, Department of Commerce under the provisions of the Coastwise Load Line Act, 1935.

[SEAL]
 Issued by _____
 Certificate No. _____
 Name of Ship _____ Official No. _____
 Port of Registry _____ Gross Tonnage _____

Freeboard from Deck Line _____ Load Line _____
 Tropical Summer } _____ { Upper edge of line through center of disk.
 Winter } _____ {
 Allowance for fresh water for all freeboards _____
 (All measurements are to upper edges of the respective horizontal lines.)

The upper edge of the deck line from which these freeboards are measured in _____ inches above the top of the _____ deck at side.

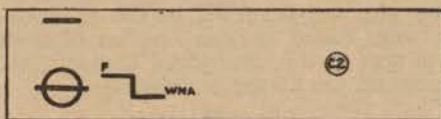


FIGURE C-2.

This is to certify that this ship has been surveyed and the freeboards and load lines shown above have been assigned in accordance with the Department of Commerce Coastwise Load Line Regulations.

*This certificate remains in force until _____ day of _____, 19____.

(Here follows the signature or seal and description of the assigning authority.)

NOTE.—In accordance with the Load Line Regulations, the disk and lines must be permanently marked by center punch marks or cutting. Letters indicating the assigning authority are to be marked alongside the disk and above the center line. Periodic inspections are to be made at intervals of approximately twelve months.

*At the expiration of this certificate, renewal should be obtained in accordance with the Load Line Regulations and if upon examination the ship is found to be in a satisfactory condition, this certificate will be extended and so indorsed on the reverse side.

(On the reverse side of the load line certificate, or on a separate sheet attached and forming part of the certificate, provision is to be made for annual inspection and renewal indorsements.)

Annual Inspections

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____
 I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

No. 187—3

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____
 I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

Renewal of Load Line Certificate

The provisions of the Coastwise Load Line Regulations of the Department of Commerce being fully complied with by this ship, this certificate is renewed until _____ 19____.

Place _____ Assigning Authority _____
 Date _____ By _____ (Surveyor)

Annual Inspections

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____
 I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____
 I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____
 I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) _____ (Place) _____ (Date) _____

Notes

¹The periods and areas during which the seasonal load lines apply are as stated in the Load Line Regulations.

²This Load Line Certificate will be canceled by the Department of Commerce if—

- (a) The periodic inspections have not been carried out.
- (b) Material alterations have been made to the hull or superstructures which would affect the calculations determining the position of the load lines.
- (c) The fittings and appliances for the protection of the openings, guard rails, freeing ports, or the means of access to crew's quarters have not been maintained in as effective a condition as they were when the Certificate was issued.

³When this Certificate has expired or been canceled, it must be delivered to the Assigning Authority.

Appliances for Closing Access Openings in Bulkheads at Ends of Detached Superstructures

Forecastle _____
 Bridge, Fore end _____
 Bridge, After end _____
 Poop _____

Temporary Appliances for Closing Openings in Superstructure Decks

APPENDIX B (TO SECTION A)

[Form C 3]

COASTWISE LOAD LINE CERTIFICATE

Issued under the authority of the United States of America, Department of Commerce under the provisions of the Coastwise Load Line Act, 1935.

[SEAL]
 Issued by _____
 Certificate No. _____
 Name of Ship _____ Official No. _____
 Port of Registry _____ Gross Tonnage _____

Freeboard from Deck Line _____ Load Line _____

Tropical _____ (T) _____ Above (S)
 Summer _____ (S) _____ Upper edge of line through center of disk.
 Winter _____ (W) _____ Below (S)
 *Allowance for fresh water for all freeboards _____

The timber freeboards given in this certificate are applicable only when this ship carries a timber deck cargo and complies with

the special requirements of the Load Line Regulations regarding timber deck cargoes.

Freeboards from Deck Line	Load Line
Tropical (Timber) -----	(LT) ----- Above (S)
Summer (Timber) -----	(LS) ----- Above (S)
Winter (Timber) -----	(LW) ----- Above (S)
	Below (S)

(All measurements are to upper edges of the respective horizontal lines.)

The upper edge of the deck line from which these freeboards are measured in ----- inches above the top of the ----- deck at side.

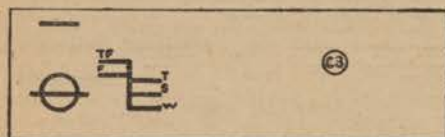


FIGURE C-3.

This is to certify that this ship has been surveyed and the freeboards and load lines shown above have been assigned in accordance with the Department of Commerce Coastwise Load Line Regulations.

** This certificate remains in force until -----
Issued at ----- on the ----- day
of -----, 19-----

(Here follows the signature or seal and description of the assigning authority.)

NOTE.—In accordance with the Load Line Regulations, the disk and lines must be permanently marked by center punch marks or cutting. (The diagram showing the timber load line marks is to be inserted above by the assigning authority.) Letters indicating the assigning authority are to be marked alongside the disk and above the center line. Periodic inspections are to be made at intervals of approximately twelve months.

* Where seagoing steamers navigate a river or inland water, deeper loading is permitted corresponding to the weight of fuel, etc., required for consumption between the point of departure and the open sea.

** At the expiration of this certificate, renewal should be obtained in accordance with the Load Line Regulations and if upon examination the ship is found to be in a satisfactory condition, this certificate will be extended and so indorsed on the reverse side.

(On the reverse side of the load line certificate, or on a separate sheet attached and forming part of the certificate, provision is to be made for annual inspection and renewal indorsements.)

(Reverse side of certificate)

Annual Inspections

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) (Place) (Date)

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) (Place) (Date)

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) (Place) (Date)

Renewal of Load Line Certificate

The provisions of the Coastwise Load Line Regulations of the Department of Commerce being fully complied with by this ship, this certificate is renewed until ----- 19-----
Place -----
Date -----

Assigning Authority
By -----
(Surveyor)

Annual Inspections

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) (Place) (Date)

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) (Place) (Date)

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) (Place) (Date)

I have surveyed this ship for the purpose of seeing whether this certificate should remain in force and the survey has been completed to my satisfaction.

(Signature of Surveyor) (Place) (Date)

Notes

¹ The periods and areas during which the seasonal load lines apply are as stated in the Load Line Regulations.

² This Load Line Certificate will be canceled by the Department of Commerce if—

- The periodic inspections have not been carried out.
- Material alterations have been made to the hull or superstructures which would affect the calculations determining the position of the load lines.
- The fittings and appliances for the protection of the openings, guard rails, freeing ports, or the means of access to the crew's quarters have not been maintained in as effective a condition as they were when the certificate was issued.

* When this certificate has expired or been canceled, it must be delivered to the Assigning Authority.

Appliances for Closing Access Openings in Bulkheads at Ends of Detached Superstructures

Forecastle -----
Bridge, Fore end -----
Bridge, After end -----
Poop -----

Temporary Appliances for Closing Openings in Superstructure Decks

[Supplement 2—Section B]

REGULATIONS FOR THE VARIANCE OF LOAD LINES FOR STEAM COLLIERIES, TUGS, BARGES, AND SELF-PROPELLED BARGES OF 150 GROSS TONS AND OVER WHEN ENGAGED IN SPECIAL SERVICES ON COASTWISE AND INTER-ISLAND VOYAGES

Pursuant to the Coastwise Load Line Act, 1935, as amended June 20, 1936, vesting the Secretary of Commerce with discretion to vary the load line marks from those established by the International Load Line Treaty, 1930, on steam colliers, tugs, barges, and self-propelled barges engaged in special services on inter-island voyages and on coastwise voyages from port to port in the continental United States, the following regulations are hereby established.

ADMINISTRATION

The administrative provisions of Section A, Part 1, of the load line regulations relating to vessels engaged in foreign and coastwise voyages, where applicable, shall apply to vessels subject to Section B except as modified below:

(a) Application for the assignment of load lines under Section B for the above classes of vessels shall be made to the Bureau of Marine Inspection and Navigation, stating:

- Name of vessel and official number
- Type of vessel (steam collier, tug, barge, or self-propelled barge)
- Date keel was laid
- Normal sea speed of vessel
- Limits of voyage for which approval is requested
- Normal maximum distance off shore in course of voyage
- Length of voyage in days and nautical miles
- Statement of weather conditions to be expected
- Cargo to be carried.

(b) Whenever the Secretary of Commerce shall find that the position of the load line for the classes of vessels above stated may be safely varied from the position fixed by the International Load Line Treaty, 1930, and that any such change will not locate the load line above the actual line of safety, he may approve load lines, as determined by Section B of these regulations, for steam colliers, tugs, barges, and self-propelled barges (separately by class) to be applicable between two specific ports of the continental United States

and the intermediate continental United States ports between these limits or between the islands of a group over which the United States has jurisdiction. The marking of such load lines and the certification thereof shall be in accordance with Section B and the Load Line Certificate shall define the limits of the voyage for which the load lines are valid.

(c) The use of the special service load line certificate issued under Section B is limited to voyages only as described in the certificate. If the vessel engages on any voyage not contemplated by the certificate where a load line is required, the load line prescribed by Section A shall govern.

(d) Vessels engaged on special services in the coastwise trade and the inter-island trade will be certificated on the form shown in Appendix A of Section B.

(e) A new ship marked with load lines for special service on a coastwise or inter-island voyage is a ship whose keel was laid on or after September 28, 1937. An existing vessel is one whose keel was laid before that date.

RULES OF ASSIGNMENT

RULE 1. The load line regulations in this section are complementary to those in Section A or Section C (Great Lakes Load Line Regulations), as reference is made thereto.

RULE 2. Definitions.—

(a) A *steam collier* is a vessel mechanically propelled and specially designed for the carriage of coal in bulk.

(b) A *tug* is a vessel specially designed for towing vessels or floating equipment.

(c) A *towed barge* is a vessel without sufficient means for self-propulsion and which requires to be towed.

(d) A *self-propelled barge* is a vessel mechanically propelled of the type specially designed for use in limited coastwise and Great Lakes service and capable of transiting inter-connecting canals.

RULE 3. Load Line Markings.—The load line marks on the ship's sides are to be in accordance with Section A, Rule 4, Figure 1. Seasonal markings such as "Winter North Atlantic" which are not applicable to the voyage will be omitted.

In the case of vessels which engage in special services on coastwise voyages and voyages on the Great Lakes, the marks on the ship's sides are to be in accordance with Figure B-1 shown below. The load lines aft of the combined disk and diamond will be applicable for voyages on the Great Lakes and those on the forward side will be applicable to limited coastwise voyages. The summer line on the ocean will correspond to the summer line on the Lakes and the winter line on the ocean will correspond to the intermediate line on the Lakes.

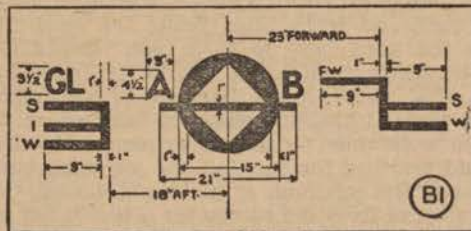


FIGURE B-1

In the case of vessels which operate both on special service coastwise voyages and on unlimited coastwise voyages, the marks on the ship's sides are to be in accordance with Figure B-2 shown below. The load lines aft of the disk will be applicable to voyages in special service coastwise or inter-island voyages and those on the forward side will be applicable to unlimited coastwise voyages. (A vessel marked for both special service and unlimited coastwise voyages and furnished with a load line certificate on the International form shall, when entering the foreign trade, arrange that the load line markings are in accord with the vessel's International Load Line Certificate by the elimination of the marks aft of the disk.)

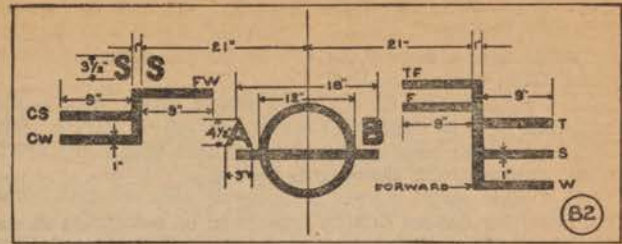


FIGURE B-2.

RULE 4. Existing vessels.—In assigning load lines to an existing vessel the provisions of these regulations shall be complied with in principle and detail in so far as is reasonable and practicable, having regard to the proven efficacy of existing arrangements for a special service voyage, and having particular regard to the provision of sufficient means for the protection and safety of the crew.

Where it is neither reasonable nor practicable to comply with these regulations in their entirety, the assigning authority will, in each case, report to the Bureau of Marine Inspection and Navigation the specific matters in which the vessel is deficient with such recommendations as may seem desirable. Upon the receipt of this report the Bureau shall determine such addition to the freeboard as will, in the judgment of the Bureau, make the vessel as safe as if it had fully complied with the regulations.

RULE 5. Conditions of assignment.—

(a) *Steam colliers.*—The conditions of assignment for steam colliers shall be in accordance with the requirements of Section A, Part 3, and also with the supplementary requirements of Part 7, in cases where a tanker freeboard is assigned.

(b) *Tugs.*—The conditions of assignment for tugs shall be in accordance with the provisions of Section C, Part 3, and in addition port lights in exposed casings leading to spaces below the freeboard deck shall be fitted with dead lights.

(c) *Towed barges.*—The conditions of assignment for towed cargo barges where the cargo is carried under deck shall be in accordance with Section C, Part 3. In the case of tank barges and cargo barges carrying cargo only on deck, compliance will also be required with the supplementary conditions of Section C, Part 5. In the case of towed cargo barges of the open type, the construction of the vessel must be such as to satisfy the assigning authority that no unusual hazards will be experienced.

(d) *Self-propelled barges.*—The conditions of assignment for self-propelled cargo barges carrying cargo under decks shall be in accordance with the provisions of Section C, Part 3. In the case of self-propelled tank barges and self-propelled cargo barges carrying cargo only on deck, compliance will also be required with the supplementary conditions of Section C, Part 5.

RULE 6. Freeboards.—When the assigning authority is satisfied that the requirements of these regulations as applicable to the type of vessel under consideration are complied with the freeboards will be computed as follows:

(a) *Steam colliers.*—Steam colliers that have constructional features similar to those of a tanker which afford extra invulnerability against the sea may be assigned a reduction of freeboard from that determined under Section A, Part 4. The amount of such reduction shall be determined by the assigning authority, with the approval of the Bureau of Marine Inspection and Navigation, in relation to the freeboard assigned to tankers, having regard to the degree of compliance with the supplementary conditions of assignment laid down for these ships, but without regard to the degree of subdivision provided. The freeboard assigned to such a vessel shall in no case be less than would be assigned the vessel as a tanker, as determined by Section A, Part 7.

(b) *Tugs*.—The freeboard is to be computed in accordance with Section C, Part 4. The fresh water and seasonal markings where applicable are to be the same as determined from Section A, Part 4.

(c) *Towed cargo barges with cargo under deck*.—The freeboard is to be computed under Section C, Part 4. The fresh water and seasonal markings where applicable are to be determined from Section A, Part 4.

(d) *Towed cargo barges with cargo only on deck*.—The freeboard for barges of this type is to be computed in accordance with the requirements of Section C, Part 5. The fresh water and seasonal markings, where applicable, are to be the same as determined from Section A, Part 4.

(e) *Towed cargo barges of the open type*.—The load line will be placed where, in the judgment of the assigning authority, with the approval of the Bureau of Marine Inspection and Navigation, the draft will be such that no unusual hazard will be experienced.

(f) *Towed tank barges*.—The freeboard is to be computed in accordance with Section C, Part 5. The fresh water and seasonal markings where applicable are to be determined from Section A, Part 4.

(g) *Self-propelled cargo barges*.—The freeboard is to be computed under Section C, Part 4. The fresh water and seasonal markings where applicable are to be determined from Section A, Part 4.

(h) *Self-propelled tank barges*.—The freeboard is to be computed in accordance with Section C, Part 5. The fresh water and seasonal markings where applicable are to be determined from Section A, Part 4.

RULE 7. The load line certificates for a special service coastwise or special service inter-island voyage are to be on the forms shown in Appendix A.

APPENDIX A (TO SECTION B)

LOAD LINE CERTIFICATE FOR A SPECIAL SERVICE COASTWISE OR INTER-ISLAND VOYAGE

Issued under the authority of the Department of Commerce, United States of America, under the provisions of the Coastwise Load Line Act of August 27, 1935, as amended June 20, 1936.

[SEAL]

Issued by _____
Certificate No. _____

This certificate is valid only for coastwise or inter-island voyages that are between the limits of _____ and _____ provided the vessel is engaged solely in the trade stated herein.

Ship _____ Official No. _____
Port of Registry _____ Trade of vessel _____
Gross Tonnage _____

Freeboard from Deck Line	Load Line
Tropical _____	(T) _____ Above (S)
Summer _____	(S) _____ Upper edge of line through center of disk
Winter _____	(W) _____ Below (S)

* Allowance for fresh water for all freeboards (except on the Great Lakes) _____

The upper edge of the deck line from which these freeboards are measured is _____ inches above the top of the _____ deck at side.

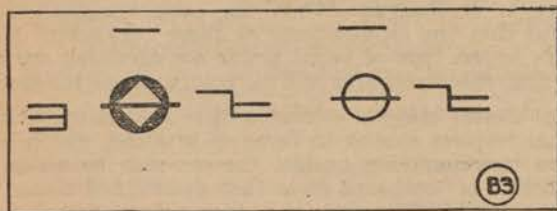


FIGURE B-3.

This is to certify that this ship has been surveyed and the freeboards and load lines shown above have been found to be correctly marked upon the vessel in manner and location as provided by the Load Line Regulations of the Department of Commerce applicable to vessels engaged on this special service voyage.

** This certificate remains in force until _____ on the _____ day of _____, 19____.

(Here follows the signature or seal and description of the assigning authority.)

NOTE.—In accordance with the Load Line Regulations the disc or diamond and the lines must be permanently marked by center punch marks or cutting.

* Where seagoing steamers navigate a river or inland water, deeper loading is permitted corresponding to the weight of fuel, etc., required for consumption between the point of departure and the open sea.

** Upon the expiration of the certificate renewal must be obtained as provided by the Load Line Regulations and the certificate so endorsed. Endorsement should also be made in the spaces provided on the occasion of each annual inspection required by the Load Line Regulations.

(On the reverse side of the load line certificate, the provision for annual inspection endorsement and for renewal of the certificate is to be the same as for vessels engaged in the foreign trade.)

[Supplement 3—Section C]

AMENDMENTS TO THE PRESENT "REGULATIONS FOR THE ESTABLISHMENT OF LOAD LINES FOR MERCHANT VESSELS OF 150 GROSS TONS OR OVER WHEN ENGAGED IN A VOYAGE ON THE GREAT LAKES"

[Reference herein to page, paragraph, and line is to the 1936 edition of the Regulations for the Establishment of Load Lines for Merchant Vessels of 150 Gross Tons or Over When Engaged in a Voyage on the Great Lakes]

(a) Denote these regulations as a "Section C."

(b) In paragraph 1, after the date "1935" in the third line, add the following: "Amended June 20, 1936."

(c) To paragraph 2, add at the end, the words, "as amended by the Act of June 20, 1936."

(d) In paragraph 3 (D) (b), beginning in the fourth line, delete the words in parentheses, as follows: "(where openings to spaces below the freeboard deck are located within houses or erections that are not protected by class 1 closing appliances, steel coamings and covers are fitted to the openings, air ports below the freeboard and forecastle decks are provided with dead covers, windows in deck houses are provided with strong shutters, and scuppers and discharges from spaces below the freeboard deck are fitted with flap valves and in addition a stop valve capable of being operated from a position always accessible)."

Delete the last subparagraph under paragraph 3, beginning with the words, "Where it is neither practical nor reasonable to comply * * *," and substitute therefor the following paragraph:

"Where it is neither reasonable nor practicable to comply with these regulations in their entirety, the assigning authority will, in each case, report to the Bureau of Marine Inspection and Navigation the specific matters in which the vessel is deficient with such recommendations as seem desirable. Upon the receipt of this report the Bureau shall determine such addition to the freeboard as will, in the judgment of the Bureau, make the vessel as safe as if it had fully complied with the regulations."

(e) In Paragraph 13, delete the title and substitute the following: "Validity of certificates—Renewal of certificates."

In the sixth and tenth lines, delete the word "five" and substitute the word "six" in each case. Beginning in the twelfth line, delete from paragraph 13 the following words: "provided, that where in the judgment of the assigning authority an unusual hardship would be inflicted on the vessel were she to be detained for the survey required by these regulations, and provided further that the assigning authority is satisfied as to the condition of the vessel it may, in writing, excuse the vessel from the survey for a period not to exceed one year." In the second subparagraph, beginning in the third line, delete the following: "The Bureau of Marine Inspection and Navigation, Department of Commerce, shall also be furnished with a copy of any deferment of the due survey, together with a statement of the circumstances in the case."

(f) From paragraph 16, the third line of the second subparagraph, delete the following words: "Or under the United States Ocean Coastwise Regulations."

(g) Delete the heading "Control" from paragraph 17 and substitute the words "Log book entries" as a heading, making the first subparagraph subject thereto.

(h) Between the first and second subparagraphs of paragraph 17 (old), insert the heading, "18. Control," making the remainder of paragraph 17 (old) subject thereto.

(i) Renumber paragraph 18 (old), making it paragraph 19.

(j) Add the following to Part 2, Rule 1, as a continuation of the last subparagraph: "Except steel tank barges especially constructed for the carriage of liquids in bulk and steel cargo barges having only small access hatches in the free-board deck, the load lines for which may be calculated under Part 5."

(k) From Part 2, Rule 4, delete the paragraph immediately following the paragraph entitled "Winter Load Line", as follows:

"Where the vessel has been constructed to have a maximum draft and such draft is less than any of the various seasonal drafts permitted by these regulations, the center of the diamond shall be located on the line of this maximum draft and shall be applicable to all seasons. If such maximum draft comes between the seasonal markings, the seasonal markings below shall be applicable."

and substitute therefor the following:

"Where the draft is restricted on a basis of subdivision or stability and this draft is less than any of the various seasonal drafts permitted by these regulations the center of the diamond shall be located on the line of this restricted draft and it shall be applicable to all seasons. If such a permissible maximum draft comes between the seasonal markings, the seasonal markings below shall also be added."

(l) In Part 3, delete the text of the third subparagraph headed "Subdivision and stability load lines" and substitute therefor the following:

"Passenger vessels—Subdivision and stability load lines.—Where in passenger vessels the position of the maximum load lines are determined by the application of subdivision and stability regulations as provided in Section D pertaining to passenger vessels on the Great Lakes, the provisions of the regulations herein shall also be effective in so far as they are applicable."

(m) Delete from Part 3 all of Rule 10 and substitute therefor the following:

"(a) On bulk freighters over 350 feet in length steel hatch covers are to be fitted to all exposed hatchways on the free-board deck and they are to be of such thickness and provided with such stiffening as will enable them to be handled without deformation.

"(b) Solid covers are to have stiffeners spaced not over 42 inches apart. The plating is to be not less than .24" at 24-inch spacing and .36" at 42-inch spacing with intermediate thicknesses at intermediate spacings. The stiffeners are not to be less effective than provided by angles, bulb angles or channels riveted or welded to the plate and having a section modulus in inches cubed not less than given by the formula:

$$I/y = S \times L^2 \times 0.025 \text{ where—}$$

S=spacing of stiffeners in feet.

L=length in feet of the unsupported spans.

I=moment of inertia of the section.

y=distance from center of gravity of the section to the outermost strain fiber.

"(c) Covers of the sliding plate type with flanges on one edge or with stiffeners riveted or welded to one edge shall have a sufficient number of sections so that when closed the

spacing of the stiffeners does not exceed 42 inches. Plates are not to be less in thickness than required for solid steel covers in association with the spacing of the stiffeners when closed. The stiffening at the edge of the covers is not to be less effective than required above for solid covers. If hatch covers of the sliding plate type are used for spans exceeding 12'-1", additional support must be provided, the details of which will be specially considered.

"(d) Where wood hatch covers are used they are to be made of long leaf yellow pine or fir and the finished thickness is not to be less than 2½ inches in association with a span of 6 feet. The width of each bearing surface is to be at least 2½ inches."

(n) Delete from Part 3 all of Rule 11 and substitute therefor the following:

"Rule 11. Hatchway beams.—Hatchways having wood covers are to be fitted with a system of main beams all extending in one direction or a system of main beams in association with auxiliary beams across the top of the main beams so arranged that the unsupported spans of the covers do not exceed 6' except where specially approved. The main beams may be of solid, rolled or built shapes and the auxiliary beams may be either rolled shapes or timber of rectangular section. They are to have a section modulus in inches cubed of not less than given by the formula

$$I/y = S \times L^2 \times C$$

where:

S=the breadth of the area supported in feet.

L=the length of the unsupported spans in feet.

C=0.03 for steel main beams where 18" coamings are required.

C=0.025 for steel auxiliary beams where 18" coamings are required.

C=0.025 for steel main beams where 12" coamings are required.

C=0.02 for steel auxiliary beams where 12" coamings are required.

C=0.15 for wood auxiliary beams where 18" coamings are required.

C=0.12 for wood auxiliary beams where 12" coamings are required.

I=moment of inertia of the section.

y=distance from center of gravity of the section to the outermost strain fiber.

"Where rolled section beams are used the top flanges and the top angles in the case of built beams are to extend for the full length of the beams. Where wood auxiliary beams are used they are to be steel shod at all points where they bear on the main beams and at the ends."

(o) To Part 4, Rule 36, add to the last subparagraph, after the figure "0.68", the following: "nor more than 0.86."

(p) In Part 4, Rule 37, beginning with the third line of the subparagraph next to the last on page 18, delete "10 and 13.5, both inclusive" and substitute in its place the following: "10 and 19, both inclusive."

(q) From Part 4, delete Table 3 entitled "Exposed bulkheads of superstructures of standard height" and substitute the following table in its stead:

TABLE 1.—Exposed bulkheads of superstructures of standard height

Bridge front bulkheads, unprotected bulkheads of poops 0.4L or more in length		Bulkheads of poops partially protected or less in length than 0.4L		After bulkheads of bridges and forecastles	
Length of ship (feet)	Bulb angle stiffeners (inches)	Length of ship (feet)	Plain angle stiffeners (inches)	Length of ship (feet)	Plain angle stiffeners (inches)
Under 160	5½ x 3 x 0.32	Under 150	3 x 2½ x ¾	Under 150	2½ x 2¼ x ¾
160	6 x 3 x 0.34	150	3½ x 2½ x ¾	150	3½ x 2½ x ¾
200	7 x 3 x 0.32	200	4 x 3 x ¾	200	3½ x 3 x ¾
240	7 x 3 x 0.38	250	5 x 3 x ¾	250 and above	4 x 3 x ¾
280	7 x 3 x 0.44	300	5 x 3 x ¾		
320	8 x 3 x 0.40	350	6 x 3½ x ¾		
360	8 x 3 x 0.46	400	6 x 3½ x ¾		
400	9 x 3½ x 0.38	450	7 x 3½ x ¾		
440	9 x 3½ x 0.50	500 and above	7 x 3½ x ¾		
480	10 x 3½ x 0.40				
520	10 x 3½ x 0.52				
560 and above	10 x 3½ x 0.64				

TABLE 1.—Exposed bulkheads of superstructures of standard height—Continued

Length of ship (feet)	Bulkhead plating (inch)	Length of ship (feet)	Bulkhead plating (inch)	Length of ship (feet)	Bulkhead plating (inch)
200 and under	0.3	160 and under	0.24	160 and under	0.20
330 and above	0.44	400 and above	0.38	400 and above	0.30

NOTE.—For ships intermediate in length the thickness of bulkhead plating are obtained by interpolation.

(r) in Part 4, Rule 42 entitled "Superstructure bulkheads," change the reference in the sixth line from "Table 3" and substitute "Table 1."

(s) Add to Part 4, Rule 51 (c), the following sentence: "On tank barges an efficient life line may be accepted in lieu of guard rails."

(t) Delete that part of the freeboard table for steamers, Part 4, Rule 64, from 80 ft. length to and including 330 ft. and substitute the following freeboards:

L	Freeboard (inches)	L	Freeboard (inches)
80 feet	7.2	210 feet	23.0
90 feet	8.0	220 feet	24.6
100 feet	8.9	230 feet	26.3
110 feet	9.9	240 feet	28.1
120 feet	11.0	250 feet	29.9
130 feet	12.1	260 feet	31.8
140 feet	13.3	270 feet	33.8
150 feet	14.5	280 feet	35.8
160 feet	15.7	290 feet	37.8
170 feet	17.1	300 feet	40.0
180 feet	18.5	310 feet	42.2
190 feet	19.9	320 feet	44.6
200 feet	21.4	330 feet	47.0

Delete footnote I and renumber the three remaining footnotes I, II, and III, respectively.

(u) Delete from Part 4, Rule 59, the first seven words, as follows: "In flush deck ships and in ships."

(v) To part 5, Rule 67, add the following as the second paragraph: "A forecastle is not required in the case of self-propelled barges, tank barges, and cargo barges carrying cargo only on deck."

(w) In Part 5, Rule 68, change the period (.) to a comma (,) after the word "strength" in the fourth line, and add the following: "these conditions may be modified in the case of self-propelled barges." Also add the following as a sentence at the end of Rule 68: "Engine room skylights are to be of substantial construction, fitted with strong glass lights, which may be required to be fitted with steel covers depending on their height above the freeboard deck."

(x) In Part 5, add as a second paragraph to Rule 69: "On towed tank barges a wire cable arranged and equipped to facilitate safe communication between both ends of the vessel at all times may be accepted in lieu of a permanent gangway."

(y) In Part 5, add the following as a sentence at the end of Rule 70: "Deck houses for the accommodation of the crew, pilot houses, etc., on the freeboard deck are to be of steel efficiently constructed and provided with port lights fitted with steel dead lights."

(z) In Part 5, Rule 78, delete that part of the table from 190 feet length to and including 340 feet length and substitute the following freeboards:

RULE 78.—Freeboard table for tankers

L	Freeboard (inches)	L	Freeboard (inches)
80 feet	6.4	220 feet	22.8
90 feet	7.2	230 feet	24.3
100 feet	8.1	240 feet	25.9
110 feet	9.1	250 feet	27.5
120 feet	10.1	260 feet	29.2
130 feet	11.1	270 feet	30.9
140 feet	12.2	280 feet	32.7
150 feet	13.3	290 feet	34.5
160 feet	14.5	300 feet	36.4
170 feet	15.8	310 feet	38.3
180 feet	17.1	320 feet	40.2
190 feet	18.5	330 feet	42.2
200 feet	19.9	340 feet	44.3
210 feet	21.3		

[Supplement 4—Section D]

REGULATIONS FOR THE ESTABLISHMENT OF SUBDIVISION LOAD LINES ON PASSENGER VESSELS ENGAGED IN (I) AN INTERNATIONAL VOYAGE (II) A COASTWISE VOYAGE (OTHER THAN THE GREAT LAKES) OR (III) A GREAT LAKES VOYAGE

Part 1. Administration.

Part 2. Rules for foreign and coastwise voyages (Great Lakes excepted).

Part 3. Rules for foreign and coastwise voyages on the Great Lakes.

PART 1. ADMINISTRATION

1. Pursuant to Executive Order 7548 of February 5, 1937, issued by Franklin D. Roosevelt, President of the United States, published in the Federal Register, Volume 2, No. 26, February 9, 1937, regulations are hereby established for placing subdivision load lines on passenger vessels mechanically propelled, subject to the International Convention for Safety of Life at Sea, signed at London on May 31, 1929, ratified by the United States Senate June 19, 1936, and proclaimed by the President on September 30, 1936, and pursuant further to the Coastwise Load Line Act, 1935, as amended June 20, 1936, regulations are hereby established for placing subdivision load lines on passenger vessels of 150 gross tons or over making coastwise voyages by sea and on the Great Lakes, also foreign voyages on the Great Lakes.

2. The Bureau of Marine Inspection and Navigation of the Department of Commerce, under the direction of the Secretary of Commerce, is vested with the responsibility and the authority to determine the position of and to insure the correct marking of subdivision load lines on all passenger vessels subject to the International Convention for Safety of Life at Sea, 1929, and the Coastwise Load Line Act, 1935, as amended June 20, 1936.

3. No passenger vessel of the United States required to be marked with subdivision load lines shall depart from any port or place for a foreign voyage by sea, a coastwise voyage by sea, or a voyage on the Great Lakes; no foreign passenger vessel belonging to a country that has ratified or acceded to the International Convention for Safety of Life at Sea, 1929¹ shall depart from any port or place under the jurisdiction of the United States, and no foreign passenger vessel of 150 gross tons or over subject to the Coastwise Load Line Act, 1935, as amended June 20, 1936, shall depart from any port or place under the jurisdiction of the United States, including ports on the Great Lakes, unless such passenger vessel has been marked with subdivision load lines in accordance with these regulations and has on board a valid certificate certifying to the correctness of the location of such subdivision load line marks.

Subdivision load lines shall be marked on both sides of passenger vessels where determined and in the manner described in Section D, Part 2, and Section D, Part 3, hereof as applicable to the vessel's service.

4. Passenger vessels on the Great Lakes of 150 gross tons or over shall not submerge the subdivision load line applicable to the voyage.

5. Passenger vessels required to be marked with subdivision load lines, engaged on foreign and coastwise voyages other than the Great Lakes, shall not submerge in salt water the subdivision load line applicable to the voyage.

¹ Passenger vessels belonging to countries that have ratified or acceded to the International Convention for Safety of Life at Sea, 1929, having been marked with subdivision load lines under that Convention and having on board a valid safety certificate shall be accepted as complying with these regulations in so far as marking and certification of subdivision load lines are concerned.

Vessels engaged on ocean foreign or coastwise voyages may be marked with fresh-water load lines. A vessel on foreign or coastwise voyages (except the Great Lakes) may have an allowance made for the degree of brackishness of the water in which the vessel is floating but not for the weight of fuel, water, etc., required for consumption between the point of departure and the open sea, and no allowance is to be made for bilge or ballast water that may be in the vessel at the time of departure.

6. For the purpose of Section D of these regulations, a vessel is a passenger vessel if:

(a) Engaged on an international voyage by sea, it carries or is authorized to carry more than twelve passengers.

(b) Engaged on a coastwise voyage by sea or a voyage on the Great Lakes, it carries or is authorized to carry more than sixteen persons in addition to the crew.

(In Section D of these regulations, whenever the word "vessel" is used, a passenger vessel is meant.)

7. A foreign voyage for the purpose of marking passenger vessels with subdivision load lines is a voyage by sea between a port under the jurisdiction of the United States and a port of a foreign country, its colonies, territories, or protectorates (a voyage exclusively on the Great Lakes excepted).

8. A coastwise voyage by sea, for the purpose of marking passenger ships with subdivision load lines, is a voyage in which a vessel in the usual course of her employment proceeds from one port or place in the United States or its possessions to another port or place in the United States or its possessions and passes outside the line dividing inland waters from the high seas, as defined in Section 2 of the Act of February 19, 1895.

9. A Great Lakes voyage is any voyage from a United States port or place on the Great Lakes to another United States port or place on the Great Lakes or to a Canadian port or place on the Great Lakes.

10. A new passenger vessel is a vessel whose keel was laid or was a vessel converted into a passenger vessel on or after (a) November 7, 1936, if engaged in foreign voyages, or (b) September 28, 1937, if engaged in coastwise or Great Lakes voyages.

11. An existing passenger vessel in respect to its voyage is any passenger vessel that is not a new passenger vessel as defined herein.

12. New passenger vessels making foreign voyages by sea shall comply with these subdivision load line regulations. An existing passenger vessel engaged in foreign voyages by sea may be permitted relaxation from the requirements of these subdivision load line regulations if, in the opinion of the Bureau of Marine Inspection and Navigation, such requirements are unreasonable or impracticable. A new passenger vessel making coastwise voyages by sea or making coastwise or foreign voyages on the Great Lakes shall comply with these subdivision load line regulations. An existing passenger vessel making coastwise voyages by sea or coastwise or foreign voyages on the Great Lakes may be permitted relaxation from the requirements of these subdivision load line regulations if in the opinion of the Bureau of Marine Inspection and Navigation such requirements are unreasonable or impracticable.

13. *Load line requirements of sections A, B, and C.*—The requirements of sections A, B, and C of these Regulations, as applicable to the vessel and her service, shall be complied with before a passenger vessel will be marked with and certificated as to subdivision load lines.

14. *Marks to indicate subdivision load lines.*—Marks to indicate the maximum mean drafts to which a passenger vessel may be lawfully submerged shall be permanently marked on each side of the vessel in the form, manner, and location provided by these regulations.

The Bureau of Marine Inspection and Navigation shall determine the position of the subdivision load lines by the application of the requirements and rules contained in these regulations; *Provided, however, That in determining*

the position of the load lines for passenger vessels engaged on coastwise voyages by sea and for passenger vessels engaged on coastwise and foreign Great Lakes voyages, due consideration shall be given to the age and condition of the vessel, its subdivision and the efficacy thereof and the probable stability of the vessel if damaged and such increases made to the freeboards as existing conditions indicate to be necessary. The correct marking of subdivision load lines on passenger vessels shall be certified to by the American Bureau of Shipping or a classification society¹ approved by the Secretary of Commerce for such purpose.

Certificates certifying to the correctness of subdivision load line marks shall not be furnished until it is determined that the marks have been correctly placed upon the vessel.

15. *Survey for the establishment and renewal of subdivision load line marks.*—Every passenger vessel to be marked with and certificated for subdivision load lines must comply with the general rules and regulations of the Board of Supervising Inspectors as promulgated for ocean, coastwise, and Great Lakes service as applicable to the particular vessel and the service in which she is to be employed.

Every passenger ship marked with subdivision load lines shall be subjected to the surveys specified below:

- (a) A survey before the ship is put in service.
- (b) A periodical survey once every twelve months.
- (c) Additional surveys as occasion arises.
- (d) Surveys required by Sections A, B, or C.

The surveys referred to in (a), (b), and (c) above shall be carried out by the local steamboat inspectors, as follows:

(a) The survey before the ship is put in service shall include a complete inspection of the hull, machinery and equipment, including the outside of the ship's bottom and the inside and outside of the boilers. This survey shall be such as to insure that the arrangements, material and scantlings of the hull, boilers, and their appurtenances, main and auxiliary machinery, life saving appliances, fire fighting and other equipment fully comply with the requirements of this section of the regulations as applicable to the service for which the ship is intended. This survey shall be such as to insure that the workmanship of all parts of the ship and its equipments is in all respects satisfactory.

(b) The periodical survey shall include an inspection of the whole of the hull, boilers, machinery and equipment, including the outside of the vessel's bottom. The survey shall be such as to insure that the vessel as regards the hull, boilers, and their appurtenances, main and auxiliary machinery, life saving appliances and other equipment is in satisfactory condition and fit for the service for which it is intended and that it complies with the requirements of this section of the regulations; *Provided, That* passenger vessels whose certificates of inspection are limited to coastwise voyages by sea shall not be required to have the outside of the vessel's bottom examined oftener than once in two years and vessels whose certificates of inspection are limited to Great Lakes voyages shall not be required to have the outside of the vessel's bottom examined oftener than required by Section C of these regulations.

(c) A survey, either general or partial, according to the circumstances, shall be made every time an accident occurs or a defect is discovered which affects the safety of the ship or the efficacy or completeness of its life saving appliances, fire fighting, or other equipment, or whenever any important repairs or renewals are made. The survey shall be such as to insure that the necessary repairs or renewals have been effectively made, that the material and the workmanship of such repairs or renewals are in all respects satisfactory, and that the ship complies in all respects with these regulations.

¹ In the case of passenger vessels that are required by the International Convention for Safety of Life at Sea to have on board a Safety Certificate, the certification of subdivision load line marks are to be made by letter to the Bureau of Marine Inspection and Navigation, Department of Commerce, Washington, D. C.

(d) Surveys required under Sections A, B, or C should be carried out in conjunction with the surveys required by this Section (D) of the regulations.

After each survey of the ship has been completed, no change shall be made in the structural arrangements, machinery, equipment, etc., covered by the survey, without the sanction of the Bureau of Marine Inspection and Navigation.

16. *Application for the assignment and renewal of subdivision load lines.*—Application for assignment and renewal of subdivision load lines and certification thereof shall be made in writing to the Bureau of Marine Inspection and Navigation, Department of Commerce, Washington, D. C.

17. *Equivalents.*—Where in these subdivision load line regulations it is provided that a particular fitting, appliance, or apparatus or type thereof, shall be fitted or carried in a vessel engaged on foreign voyages by sea or that any particular arrangement shall be adopted, there may be substituted any other fitting or appliance or type thereof or any other arrangement provided that the Bureau of Marine Inspection and Navigation, Department of Commerce, shall have been satisfied by suitable trials that the fitting, appliance, or apparatus, or type thereof, or that the arrangement substituted is at least as effective as that specified in the subdivision load line regulations.

Where in the application of these subdivision load line regulations to passenger vessels engaged in coastwise voyages by sea and on coastwise and foreign Great Lakes voyages it is desired to substitute other construction, arrangement, fitting, or appliance or type thereof, such substitution may be made if approved by the Bureau of Marine Inspection and Navigation provided the degree of safety provided by these regulations is obtained.

18. *The subdivision load line certificates.*—Passenger vessels engaged in foreign voyages by sea shall have their subdivision load lines certificated on the safety certificate required by the International Convention for Safety of Life at Sea, 1929.¹ These vessels will also be provided with the load line certificate required by Section A hereof, the minimum freeboard shown thereon to be not less than the minimum freeboard corresponding to the principal passenger condition.

Passenger vessels engaged on coastwise voyages by sea and coastwise and foreign voyages on the Great Lakes shall have the position of their subdivision load lines recorded on a load line certificate in the form required by Sections A or C hereof. The fact that they are subdivision load lines is to be noted on the load line certificate.

Passenger vessels engaged in foreign voyages by sea, on coastwise voyages by sea, and Great Lakes voyages shall have the load line certificate limited to one year and renewal shall be limited to one year. The certificate shall be issued by the American Bureau of Shipping or the classification society approved for placing load lines on the vessel; *Provided*, That before issuance and before renewal of the certificate the classification society has received advice from the Bureau of Marine Inspection and Navigation that the vessel is in a condition to receive a certificate of inspection or is in a condition satisfactory to the Bureau of Marine Inspection and Navigation.

19. *Validity of subdivision load line certificates.*—Subdivision load line certificates issued to passenger vessels shall only be valid during the time for which the certificate is issued.

If, due to any cause, the conditions as required by these regulations are changed or these regulations are not carried out, the load line certificate may be cancelled and the load lines considered nonexistent: *Provided, however*, That if the conditions causing the cancellation of the certificate are satisfactorily corrected, the load line certificate shall be reinstated for the remainder of its term.

¹ Safety certificates shall be issued by the Bureau of Marine Inspection and Navigation, Department of Commerce, Washington, D. C., for a period not to exceed one year.

A valid subdivision load line certificate for foreign voyages by sea shall be valid for coastwise voyages by sea and voyages on the Great Lakes. A valid subdivision load line certificate for coastwise voyages by sea shall be valid for voyages on the Great Lakes but not for foreign voyages by sea. A valid subdivision load line certificate for voyages on the Great Lakes shall not be valid for foreign or coastwise voyages by sea.

20. *Drills and inspections.*—In all new and existing passenger vessels drills by the vessels' crew for the operating of watertight doors, side ports, valves, and closing mechanisms of scuppers, ash chutes and rubbish chutes, shall take place weekly. In passenger vessels in which the voyage exceeds one week in duration a complete drill shall be held before leaving port, and others thereafter at least once a week during the voyage, and all watertight power doors and hinged doors in main transverse bulkheads in use at sea shall be operated daily.

The watertight doors and all mechanisms and indicators connected therewith, and all valves the closing of which is necessary to make a compartment watertight, shall be periodically inspected at sea, at least once a week.

21. *Log book entries.*—(a) *Applicable to foreign voyages by sea (the Great Lakes excepted).*—The master of any passenger vessel making foreign voyages by sea shall insert at the time of departing from port in the vessel's official log a statement of the position of the subdivision load line mark, port and starboard, in relation to the surface of the water in which the vessel is then floating¹ and shall also enter a statement of the actual drafts of the vessel forward and aft as nearly as the same can be ascertained.²

There shall be entered in the official log the time that hinged, watertight doors fitted in bulkheads dividing cargo between deck spaces are opened in port and the time these doors are closed before leaving port. (These doors must be closed, secured, and remain so during the voyage.)

There shall be entered in the official log the time of opening and the time of closing in port portable plates, gangways, cargo ports, coaling ports, and other openings in the ship's hull below the margin line which are required by these regulations to be kept closed at sea. (Section D, Part 2, Rules 20, 28, and 31.) (If it becomes essential for the safety of the ship to open any of these fittings at sea the circumstances and the time of opening and closing shall be entered in the official log.)

There shall be entered in the official log the time of opening, closing, and securing, at sea, watertight doors fitted between bunkers for the purpose of trimming coal.

There shall be entered in the official log the time of opening and closing in port those air ports below the bulkhead deck that are required to be kept closed by these regulations, while at sea. (Section D, Part 2, Rule 28 (e).)

There shall be entered in the official log a record of the following drills and inspections with an explicit record of any defects which may be disclosed and the steps taken to remedy them:

(1) Operation of watertight power doors and watertight hinged doors in main transverse bulkheads in use at sea—daily.

(2) Drills in the operation of watertight doors, airports, valves, and closing mechanisms of scuppers, ash chutes, and rubbish chutes—weekly (when the voyage exceeds one week, a complete drill shall be held before leaving port).

(3) Inspection at sea of all watertight doors together with all mechanisms and indicators connected therewith, all valves the closing of which is necessary to make a compartment watertight—at least once a week.

¹ When the draft of the vessel is limited by a seasonal load line located below the subdivision load line the position of the seasonal load line shall be entered in relation to the surface of the water in which the vessel is floating.

² When an allowance of draft is made for density of the water in which the vessel is floating, this density is to be noted in the official log.

(b) *Applicable to coastwise voyages by sea and voyages on the Great Lakes.*—The master of a passenger vessel engaged on a coastwise voyage by sea or on a voyage on the Great Lakes shall, before the vessel departs from her loading port or place, enter a statement in the ship's record or log book of the position of the subdivision load line, port and starboard, in respect to the surface of the water in which the vessel is then floating and in addition shall also enter the actual drafts of the vessel forward and aft as nearly as the said drafts can be ascertained.¹

(c) *Fresh water allowance.*—In the case of passenger vessels engaged on foreign or coastwise voyages by sea where an allowance is made for the density of the water in which the vessel is floating, this density is also to be noted in case of submergence of the subdivision load line.

22. *Control.*—The duties and responsibilities of the Collectors of Customs in respect to the load lines certified on the safety certificates of and marked on passenger vessels engaged on foreign voyages by sea shall be the same as stated in Section A, paragraph 20, of these regulations.

The duties and responsibilities of the Collector of Customs, in respect to passenger vessels engaged in coastwise voyages by sea or voyages on the Great Lakes are as defined by the Load Line Regulations, Section A, paragraph 20, and Section C, paragraph 17, of these regulations.

23. *Construction.*—The watertight subdivision of every passenger vessel shall be as efficient as possible, having regard to its intended service. This principle is given effect by the requirements of Part 2 hereof, which provide for variations in the standard of subdivision according to the length of the vessel and the degree to which the vessel approaches the exclusive passenger type, the highest standard being required in vessels of the greatest length engaged primarily in the carriage of passengers.

Passenger vessels engaged in foreign voyages by sea or coastwise voyages by sea or voyages on the Great Lakes, to be marked with subdivision load lines shall—

(a) If a new ship, comply with the rules and regulations of this section;

(b) If an existing ship, shall comply with such rules and regulations unless it can be shown to the satisfaction of the Bureau of Marine Inspection and Navigation, Department of Commerce, that their application is unreasonable and impracticable.

* Passenger vessels engaged on (a) foreign voyages by sea, (b) coastwise voyages by sea, or (c) Great Lakes voyages, navigating more than 20 nautical miles and not more than 200 nautical miles off shore, may, with the approval of the Department of Commerce, be allowed relaxation from such of the requirements of rules 9 to 14, inclusive, rules 20 to 32, inclusive, and rule 38 of Section D, Part 2, hereof, dealing with inner bottoms, openings in watertight bulkheads and in vessels' sides below the bulkhead deck and pumping arrangements as may be proved to the satisfaction of the Bureau of Marine Inspection and Navigation to be neither reasonable nor practicable for the service conditions under which the vessel is to operate.

In the case of passenger vessels engaged on foreign voyages by sea, coastwise voyages by sea, or Great Lakes voyages, operating not over 20 nautical miles off shore, the Bureau of Marine Inspection and Navigation may, with the approval of the Department, make exemptions from the requirements of these regulations if it considers that the route and the conditions of the voyage are such as to render the application of any of the requirements of the subdivision load line rules and regulations unreasonable or unnecessary.

Passenger vessels engaged on foreign voyages by sea, coastwise voyages by sea, and Great Lakes voyages that are such as to make the risks exceptional and, owing to the

absence of general cargo, it is practicable to apply a higher standard of subdivision than required by this section, shall have such further subdivision as may be required by the Bureau of Marine Inspection and Navigation provided that the factor of subdivision shall not exceed 0.50 unless it can be shown that the improved subdivision is neither practicable nor reasonable.

24. *Plans and inspections of new and converted vessels.*—There shall be submitted in triplicate to the Bureau of Marine Inspection and Navigation for approval the following plans:

- Midship section.
- Profile.
- Deck plating.
- Shell plating.
- Inner bottom.
- W. T. Bulkheads, tunnels and escape trunks.
- Fuel oil, fresh water, and ballast tanks.

These plans should be furnished as early as practicable. If approved, one copy is to be transmitted to the Supervising Inspector in which district the vessel is to be constructed or converted, one copy shall be furnished the owners, and one copy will be retained in the Bureau of Marine Inspection and Navigation as a record.

When a passenger vessel is being built to class with a recognized American classification society, the official approval by such society of construction plans of the vessel may be, in general, accepted as evidence of the efficacy of the structure as indicated on the plans but the submission of plans to and the approval thereof by the Bureau of Marine Inspection and Navigation is required in all cases of new and converted vessels.

In order that the Bureau of Marine Inspection and Navigation may determine the position of the subdivision load lines and as to whether or not the vessel will have satisfactory stability, if damaged below the water line, the following data shall be submitted to the Bureau of Marine Inspection and Navigation:

- Lines; body plan; curves of form; Bonjean curves; stability calculations in damaged conditions.

- Floodable length curves with a copy of the flooding calculations. Profile and deck arrangement plans.

Either on the above plans or in such other form as may be convenient, the following details shall be clearly indicated:

- Extent and subdivision of double bottom.

- Location of openings in bulkheads.

- Type of watertight doors fitted to close each such opening.

- Location of operating stations for each sliding watertight door.

- Details of the construction of each type of watertight door with details of the operating gear.

- Location of openings in the sides of the vessel.

- Where such openings are pipe discharges, the service for which each pipe is used and the space from which it discharges is to be clearly indicated.

- Details of the types of valves fitted on each pipe terminating at the shell, stating the material used, and showing the locations of each valve in the pipes and of the operating stations where remote controls are fitted.

- Details of the construction of each cargo, gangway, or coaling port.

- Details of the types of light and airports fitted.

- Details of the construction of each rubbish or ash chute.
- Location of openings in the weather deck and the arrangements adopted for their protection and closing.

During the construction or conversion of a passenger vessel subject to being marked with subdivision load lines, the local steamboat inspectors are to satisfy themselves that the structural arrangements are in accordance with the plans approved by the Bureau of Marine Inspection and Navigation.

¹ When the draft of the vessel is limited by a seasonal load line located below the subdivision load line the position of the seasonal load line shall be entered in relation to the surface of the water in which the vessel is floating.

tion and that the workmanship on the vessel is satisfactory. In the case of a vessel building to class with the American Bureau of Shipping or other approved classification society, the construction surveys and tests carried out by the surveyors of such a society may be considered either in whole or in part as evidence of the satisfactory workmanship and proper adherence to the approved structural plans.

Upon completion of the construction of a passenger vessel or the conversion of a vessel to a passenger vessel, the vessel shall be inclined under the supervision of the Bureau of Marine Inspection and Navigation and the position of her center of gravity determined. If the position of the center of gravity is such that the vessel will have adequate stability in the usual service conditions when taken into consideration with subdivision and other requirements and have an ample margin of stability when loaded to the drafts permitted by the subdivision load lines, the subdivision load lines may be marked and certified. The owners shall supply the operating personnel and the material necessary for inclining the vessel and shall furnish such information required by the Bureau of Marine Inspection and Navigation as is necessary to determine the position of the center of gravity of the vessel from the inclining experiment.¹

PART 2—RULES FOR DETERMINING SUBDIVISION LOAD LINES FOR PASSENGER VESSELS ENGAGED ON FOREIGN AND COASTWISE VOYAGES (THE GREAT LAKES EXCEPTED)

RULE 1. Definitions.—

(a) The subdivision load line is the water line used in determining the subdivision of the vessel. The deepest subdivision load line is that which corresponds to the greatest draft.

(b) The length of the vessel is the length measured between perpendiculars taken at the extremities of the deepest subdivision load line.

(c) The breadth of the vessel is the extreme width from outside of frame to outside of frame at or below the deepest subdivision load line.

(d) The bulkhead deck is the uppermost deck up to which the transverse watertight bulkheads are carried.

(e) The margin line is a line drawn parallel to the bulkhead deck at side and three inches below the upper surface² of that deck at side.

(f) The draft is the vertical distance from the top of keel³ amidships to the subdivision load line in question.

(g) The permeability of a space is the percentage of that space which can be occupied by water.

The volume of a space which extends above the margin line shall be measured only to the height of that line.

(h) The machinery space is to be taken as extending from the top of keel to the margin line and between the extreme main transverse watertight bulkheads bounding the spaces devoted to the main and auxiliary propelling machinery, boilers when installed, and all permanent coal bunkers.

(i) Passenger spaces are those which are provided for the accommodation and use of passengers, excluding baggage, store, provision, and mail rooms. For the purpose of rules 3 and 4, spaces provided below the margin line for the accommodation and use of the crew shall be regarded as passenger spaces.

(j) In all cases volumes shall be calculated to molded lines; linear dimensions are to be taken in feet and volumes in cubic feet.

RULE 2. Floodable length.—

(a) The floodable length at any point of the length of a vessel shall be determined by a method of calculation which

¹The operating personnel of the vessel shall be supplied by the owners with such information regarding the stability of the vessel as is necessary for their guidance in loading, ballasting, and safely operating the vessel.

²Where there is a variation in the thickness of the bulkhead deck at side, the top of the deck should be taken at the least thickness of the deck at side above the beam.

³Top of keel means molded base line.

takes into consideration the form, draft, and other characteristics of the vessel in question.

(b) In a vessel with a continuous bulkhead deck, the floodable length at a given point is the maximum portion of the length of the vessel having its center at the point in question which can be flooded under the definite assumptions hereafter set forth in rule 3 without the vessel being submerged beyond the margin line.

(c) In the case of a vessel not having a continuous bulkhead deck, the floodable length at any point may be determined to an assumed continuous margin line up to which, having regard to sinkage and trim after damage, and sides of the vessel and the bulkheads concerned are carried watertight.¹

RULE 3. Permeability.—

(a) The definite assumptions referred to in rule 2 relate to the permeabilities of the spaces below the margin line.

In determining the floodable length a uniform average permeability shall be used throughout the whole length of each of the following portions of the vessel below the margin line.²

1. The machinery space as defined in rule 1 (h);
2. The portion forward of the machinery space; and
3. The portion abaft the machinery space.

(b) (1) For steam vessels the uniform average permeability throughout the machinery space shall be determined from the formula—

$$80 \text{ plus } 12.5 \frac{(a-c)}{v}$$

where

a=volume of the passenger spaces, as defined in rule 1 (i), which are situated below the margin line within the limits of the machinery space.

c=volume of 'tween deck spaces below the margin line within the limits of the machinery space which are appropriated to cargo, coal, or stores.

v=whole volume of the machinery space below the margin line.

(2) For vessels propelled by internal combustion engines, the uniform average permeability shall be taken as five greater than that given by the above formula.

(3) Where it is shown to the satisfaction of the Bureau of Marine Inspection and Navigation that the average permeability, as determined by detail calculation, is less than that given by the formula, the calculated value may be substituted. For the purposes of such calculation, the permeabilities of passenger spaces, as defined in rule 1 (i) shall be taken as 95, that of all cargo, coal, and store spaces as 60, and that of double-bottom, oil-fuel, and other tanks at such values as may be approved in each case by the Bureau of Marine Inspection and Navigation.

(c) The uniform average permeability throughout the portion of the vessel before (or abaft) the machinery space shall be determined from the formula—

$$63 \text{ plus } 35 \frac{a}{v}$$

where

a=volume of the passenger spaces, as defined in rule 1 (i) which are situated below the margin line before (or abaft) the machinery space; and

v=whole volume of the portion of the vessel below the margin line before (or abaft) the machinery space.

¹In the case of a vessel in which the subdivision bulkheads extend to two different decks, the floodable length for that section where the bulkheads extend to the lower deck may be determined by the use of trim lines tangent to a line three inches below the upper surface of the lower deck at side. Where, however, the arrangement is such that the safety is in no way diminished, advantage may be taken of the extra subdivision offered by the bulkheads extending to the higher deck by the use of an assumed margin line.

²The volumes as hereafter defined shall be the molded volumes below a line three inches below the upper surface of the bulkhead deck at side. In the case of a vessel not having a continuous bulkhead deck, there shall be but one average permeability for the portion of the vessel before (or abaft) the machinery space, and for the machinery space, the volume for each compartment of vessel being taken to the assumed continuous margin line.

(d) If a 'tween deck compartment between two watertight transverse bulkheads contains any passenger or crew space, the whole of that compartment, less any space completely enclosed within permanent steel bulkheads and appropriated to other purposes, shall be regarded as passenger space. If, however, the passenger or crew space in question is completely enclosed with permanent steel bulkheads, only the space so enclosed need be considered as passenger space.

RULE 4. (a) Permissible length of compartments.—The maximum permissible length of a compartment having its center at any point in the vessel's length is obtained from the floodable length by multiplying the latter by an appropriate factor called the factor of subdivision. However, the permissible length shall not exceed one fifth of the subdivision length of the ship or eighty feet, whichever is the less, without the special consideration of the Bureau of Marine Inspection and Navigation.

(b) *Factor of subdivision.*—The factor of subdivision shall depend on the length of the vessel, and for a given length shall vary according to the nature of the service for which the vessel is intended. It shall decrease in a regular and continuous manner:

1. As the length of the vessel increases, and

2. From a factor A, applicable to vessels primarily engaged in the carriage of cargo, to a factor B, applicable to vessels primarily engaged in the carriage of passengers.

The variations of the factors A and B shall be expressed by the following formulas (i) and (ii) where L is the length of the vessel in feet as defined in rule 1 (b):

$$A = \frac{190}{L-198} \text{ plus } 0.18 \text{ (} L=430 \text{ and upward)} \quad (i)$$

$$B = \frac{100}{L-138} \text{ plus } 0.18 \text{ (} L=260 \text{ and upward)}^1 \quad (ii)$$

(c) *Criterion of service.*—For a vessel of given length the appropriate factor of subdivision shall be determined by the Criterion of Service Numeral (hereinafter called the "Criterion Numeral") as given by the following formulas (iii) and (iv) where:

C_s = the Criterion Numeral;

L = length of the vessel in feet, as defined in rule 1 (b);

M = the volume of the machinery space, as defined in rule 1 (h); with the addition thereto of the volume of any permanent oil fuel bunkers which may be situated above the inner bottom and before or abaft the machinery space;

P = the whole volume of the passenger spaces below the margin line, as defined in rule 1 (i);

V = the whole volume of the vessel below the margin line;

$P_1 = 0.6LN$ where: L = the length of the vessel in feet as defined in rule 1 (b), and

N = the number of passengers for which the vessel is to be certified.

Where, however, it is shown to the satisfaction of the Bureau of Marine Inspection and Navigation that the value of $0.6LN$ so obtained is greater than the sum of P and the whole volume of the actual passenger spaces above the margin line, the lower figure may be taken, provided that in no case shall the value of P_1 used be less than $0.4LN$. When P_1 is greater than P —

$$C_s = 72 \frac{M + 2P_1}{V + P_1 - P} \quad (iii)$$

And in other cases—

$$C_s = 72 \frac{M + 2P}{V} \quad (iv)$$

¹ The foregoing method of determining the permissible length should be used to the exclusion of independent calculations, except in the case of vessels which are so exceptional in their arrangement that it is not directly applicable, in which case calculations should be submitted showing that the margin line will not be submerged with an assumed compartment flooded having the same permeability, the same midpoint of length, and a length equal to the length of the compartment in question divided by F .

For vessels not having a continuous bulkhead deck the columns are to be taken up to the actual margin lines used in determining the floodable lengths.

(d) *Rules for subdivision.*—(1) The subdivision abaft the fore peak of vessels 430 feet in length and upward having a criterion numeral of 23 or less shall be governed by the factor A given by formula (i); of those having a criterion numeral of 123 or more by the factor B given by formula (ii); and of those having a criterion numeral between 23 and 123 by the factor F obtained by linear interpolation between the factors A and B, using the formula:

$$F = A - \frac{(A-B) \times (C_s - 23)}{100} \quad (v)$$

Where the factor F is less than 0.40 and it is shown to the satisfaction of the Bureau of Marine Inspection and Navigation to be impracticable to comply with the factor F in a machinery compartment of the vessel, the subdivision of such compartment may be governed by an increased factor, which, however, shall not exceed 0.40.

(2) The subdivision abaft the fore peak of vessels less than 430 feet but not less than 260 feet in length having a criterion numeral equal to S, where

$$S = \frac{4691 - 10L}{17}$$

shall be governed by the factor unity; of those having a criterion numeral of 123 or more by the factor B given by the formula (ii); of those having a criterion numeral between S and 123 by the factor F obtained by linear interpolation between unity and the factor B, using the formula:

$$F = 1 - \frac{(1-B)(C_s - S)}{123 - S} \quad (vi)$$

(3) The subdivision abaft the fore peak of vessels less than 430 feet but not less than 260 feet in length and having a criterion numeral less than S, and of all vessels less than 260 feet in length shall be governed by the factor unity; unless it is shown to the satisfaction of the Bureau of Marine Inspection and Navigation to be impracticable to comply with this factor in any part of the vessel, in which case the Bureau of Marine Inspection and Navigation may allow such relaxation as may appear to be justified, having regard to all the circumstances.

(4) The provisions of subparagraph (3) shall apply also to vessels of whatever length, which are to be certified to carry a number of passengers exceeding 12 but not exceeding $\frac{L^2}{7000}$ or 50, whichever is the less.

RULE 5. Special rules concerning subdivisions.—

(a) A compartment may exceed the permissible length determined by the rules of rule 4 provided the combined length of each pair of adjacent compartments to which the compartment in question is common does not exceed either the floodable length or twice the permissible length, whichever is the less.¹

If one of the two adjacent compartments is situated inside the machinery space, and the second is situated outside the machinery space, and the average permeability of the portion of the vessel in which the second is situated differs from that of the machinery space, the combined length of the two compartments shall be adjusted to the mean average permeability of the two portions of the vessel in which the compartments are situated.

Where the two adjacent compartments have different factors of subdivision the combined length of the two compartments shall be determined proportionately.

(b) *Additional subdivision at forward end.*—In vessels 430 feet in length and upward, one of the main transverse bulkheads abaft the fore peak shall be fitted at a

¹ See subparagraph (f). The shorter of the two compartments must not be less than ten feet plus two percent of the length of the vessel.

distance from the forward perpendicular which is not greater than the permissible length.

(c) *Recessed bulkheads.*—A main transverse bulkhead may be recessed provided that all parts of the recess lie inboard of vertical surfaces on both sides of the vessel, situated at a distance from the shell plating equal to one-fifth the breadth of the vessel, as defined in rule 1 (c), and measured at right angles to the center line at the level of the deepest subdivision load line.

Any part of a recess which lies outside these limits shall be dealt with as a step in accordance with the following paragraph.

(d) *Stepped bulkheads.*—A main transverse bulkhead may be stepped provided that—

(1) The combined length of the two compartments, separated by the bulkhead in question, does not exceed 90 percent of the floodable length, or

(2) Additional subdivision is provided in way of the step to maintain the same measure of safety as that secured by a plane bulkhead.

(e) *Equivalent plane bulkhead.*—Where a main transverse bulkhead is recessed or stepped, an equivalent plane bulkhead shall be used in determining the subdivision.

(f) *Minimum spanning of bulkheads.*—If the distance between two adjacent main transverse bulkheads, or their equivalent plane bulkheads, or the distance between the transverse planes passing through the nearest stepped portions of the bulkheads, is less than 10 feet plus 2 percent of the length of the vessel, only one of these bulkheads shall be regarded as forming a part of the subdivision of the vessel in accordance with the provisions of rule 4.

(g) *Allowances for local subdivision.*—Where a main transverse watertight compartment contains local subdivision, and it can be shown to the satisfaction of the Bureau of Marine Inspection and Navigation that, after any assumed side damage extending over a length of 10 feet plus 2 percent of the length of the vessel, the whole volume of the main compartment will not be flooded, a proportionate allowance may be made in the permissible length otherwise required for such compartment. In such a case the volume of effective buoyancy assumed on the undamaged side shall not be greater than that assumed on the damaged side.

(h) *Longitudinal subdivision.*—Where it is proposed to fit watertight decks, inner skins or longitudinal bulkheads, watertight or nonwatertight, the Bureau of Marine Inspection and Navigation shall be satisfied that the safety of the vessel will not be diminished in any respect, particularly having in view the possible listing effect of flooding in way of such structural arrangements.

(i) *Stability when damaged.*—1. The arrangements which fall within the general category of longitudinal subdivision are of such a varied character that it is not possible to lay down definite rules which would apply equitably to all cases that may arise in practice.

2. Calculations of angle of heel or of effect on stability may be necessary and plans showing the proposed transverse and/or longitudinal subdivision are therefore to be submitted for the Bureau of Marine Inspection and Navigation's consideration and decision as to the calculations to be made and the spaces to be assumed flooded. The object of the calculations is to show:

(1) The angle of heel which might result from the flooding of wing compartments due to side damage extending over a length in feet not exceeding .02L plus ten feet.

If this angle is more than seven degrees, the Bureau of Marine Inspection and Navigation will, as a rule, require such arrangements to be made as will reduce the angle to seven degrees.

(ii) The reduction in stability and angle of heel which might result from flooding of such compartments as may reasonably be assumed vulnerable under certain condi-

tions of damage having regard to the arrangements under consideration.

If this angle is such that the margin line would not be submerged, the arrangements may be allowed; otherwise they will require modification.

(iii) The effect on stability of flooding in way of a watertight deck.

3. In making these calculations the ship is to be assumed to be in the worst anticipated service condition as regards stability, the permeabilities of the spaces assumed to be flooded being taken consistent with this condition as far as possible.

4. The stability conditions assumed in these calculations are to be confirmed after the ship has been inclined.

RULE 6. Peak and machinery space bulkheads, shaft tunnels, etc.—

(a) 1. Every passenger vessel shall have a forepeak or collision bulkhead, which shall be watertight up to the bulkhead deck. This bulkhead shall be fitted not less than 5 percent of the length of the vessel, and not more than ten feet plus 5 percent of the length of the vessel from the forward perpendicular.

2. If a vessel has a long forward superstructure, the forepeak bulkhead shall be extended weathertight to the deck next above the bulkhead deck. The extension need not be fitted directly over the bulkhead below provided it is at least 5 percent of the length of the vessel from the forward perpendicular and the part of the bulkhead deck which forms the step is made effectively weathertight.

(b) An afterpeak bulkhead, and bulkheads dividing the machinery space as defined in rule 1 (h) from the cargo and passenger spaces forward and aft, shall also be fitted and made watertight up to the bulkhead deck. The afterpeak bulkhead may, however, be stopped below the bulkhead deck, provided the degree of safety of the vessel as regards subdivision is not thereby diminished.

(c) In all cases stern tubes shall be enclosed in watertight spaces. The stern gland shall be situated within a watertight shaft tunnel or other space of such volume that if flooded by leakage through the stern gland the margin line will not be submerged.

RULE 7. Construction and tests.—

(a) All watertight bulkheads, inner skins, decks, recesses, tunnels, tanks, ventilators, trunks, etc., forming part of the subdivision arrangements shall be of such strength and so constructed as to be capable of withstanding with a proper margin of resistance the pressure due to a head of water up to the bulkhead deck. The construction of these parts of the structure will be accepted if in accordance with the requirements of an approved American classification society. Where frames or beams pass through a watertight deck or bulkhead, such deck or bulkhead shall be made watertight without the use of wood or cement.

(b) An examination of the watertight bulkheads, recesses, tunnels, and watertight flats shall be made by an inspector and in addition a hose test shall be made in all cases. The pressure in the hose shall not be less than thirty pounds per square inch.

(c) 1. The forepeak shall be tested by filling with water to a head up to the deepest subdivision load line or up to two thirds the height from the top of the keel to the bulkhead deck if that be greater.

2. The watertight space enclosing the stern tube shall be tested by filling with water to a head up to the deepest subdivision load line.

(d) Tanks which hold liquids and form part of the subdivision of the vessel shall be tested by filling with water to a head at least up to the deepest subdivision load line or up to two thirds of the distance from the top of the keel to the bulkhead deck, or three feet whichever be the greatest. The tests on such tanks are to insure that the subdivision structural arrangements are watertight and are not to be considered a test of the strength or fitness of any tank for

the storage of liquids and for which a test of a higher head may be required under the provisions of rule 17.

(e) Inner skins shall be tested by filling the space between them and the shell with water to a head up to the bulkhead deck.

RULE 8. Fire-resisting bulkheads.—Fire-resisting bulkheads shall be fitted as provided by the rules and regulations of the Board of Supervising Inspectors as applicable to the vessel and service.

RULE 9. Extent of double bottoms.—(a) In vessels, 200 feet and under 249 feet in length a double bottom shall be fitted at least from the machinery space to the forepeak bulkhead, or as near thereto as practicable.

(b) In vessels 249 feet and under 330 feet in length a double bottom shall be fitted at least outside the machinery space, and shall extend to the fore and afterpeak bulkheads, or as near thereto as practicable.

(c) In vessels 330 feet in length and upwards a double bottom shall be fitted amidships and shall extend to the fore and afterpeak bulkheads or as near thereto as practicable.

(d) Where a double bottom is required to be fitted, the inner bottom shall be continued out to the vessel's sides in such a manner as to protect the bottom to the turn of bilge. Such protection will be deemed satisfactory if the line of intersection of the outer edge of the margin plate with the bilge plating is not lower at any point than a horizontal plane passing through the point of intersection with the frame line amidships of a transverse diagonal line inclined at 25 degrees to the base line and cutting it at a point one half the vessel's molded breadth from the middle line.

RULE 10. Wells in double bottoms.—Wells constructed in the double bottom in connection with the drainage arrangements shall not extend downward more than necessary, nor shall they be less than eighteen inches from the outer bottom or from the inner edge of the margin plate. A well extending to the outer bottom is, however, permitted at the after end of a shaft tunnel.

RULE 11. Watertight center girder.—Double bottom tanks use for fuel oil or fresh water shall have a watertight center girder. This shall not be required for narrow tanks at ends of vessel.

RULE 12. Watertight floors.—Watertight transverse divisions should be fitted in the double bottom under each main watertight subdivision bulkhead or as near thereto as practicable. Where duct keels are fitted, the transverse divisions need not extend across the duct keel.

RULE 13. Manholes.—The number of manholes in the inner bottom shall be reduced to the minimum compatible with the design and necessity for access to the double bottom. Efficient covers, capable of being made thoroughly watertight and effectively protected from damage by cargo or coal, shall be fitted to the manholes.

RULE 14. Air or sounding pipes.—All air or sounding pipes to the double bottom are to be effectively protected against damage by cargo, coal, etc.

RULE 15. Tests of inner bottoms.—Inner bottoms and duct keels shall be tested by filling with water to a head up to the bulkhead deck. Where double bottoms are to be used as tanks, the test head is not to be less than required for tanks forming part of the hull structure. (See rule 17.)

RULE 16. Tanks for fuel oil, fresh water, liquid cargo, or water ballast.—(a) The installation of fuel-oil tanks in the 'tween decks overhanging the boiler space or adjacent to the vessel's sides abreast the boilers should, where practicable, be avoided, but where found necessary such tanks shall be subdivided into compartments not exceeding twenty one feet in length. No openings are to be cut in the bottom, ends, or sides of fuel-oil tanks except for suction or heater connections.

(b) All tanks shall be sufficiently subdivided in order to prevent excessive listing when damaged, and the arrangement of divisional and swash bulkheads is to be such as to avoid excessive dynamic stresses.

(c) Cofferdams are to be fitted between fuel-oil tanks and adjacent boiler feed or culinary water tanks so as to prevent the fresh water from being contaminated.

(d) Tanks for fuel oil, fresh water, water ballast, or liquid cargo, forming a part of the vessel's structure, are to be constructed in accordance with the requirements of a recognized classification society.

(e) The construction of fuel-oil tanks separate from the hull shall conform to the following requirements or the equivalent thereto: Plating shall be not less than five-sixteenths inch in thickness; seams are to be double riveted; all rivet holes shall be fairly drilled or subpunched and reamed to size; rivets shall be spaced not to exceed four diameters; and where practicable, the tanks shall be calked inside and out.

RULE 17. Tests of tanks.—All tanks forming part of the vessel's structure shall be tested by filling with water to the height of the load draft, to two thirds of the distance from the top of the keel to bulkhead or freeboard deck, or to two feet above the highest point to which liquid may rise under service conditions, whichever is greatest. Independent fuel-oil tanks are to be tested to a pressure of fifteen pounds per square inch.

RULE 18. Drainage double bottoms.—Suitable gutterways are to be fitted around all oil tanks with arrangements for same to drain into sumps, wells, or bilges. Where double bottoms are used for fuel oil, such drainage arrangements shall be made in cargo holds as are necessary to insure that any oil leakage will drain into wells or bilges.

RULE 19. The foregoing rules for the carriage of fuel oil are applicable only to such oil having a flash point not less than 150° F. (Pensky-Marten closed cup tester). Where fuel oil of a lower flash point is to be carried the arrangements are to be specially considered and tanks for such oil must not be fitted adjacent to or beneath the boilers.

RULE 20. Openings in watertight bulkheads.—(a) The number of openings in watertight bulkheads shall be reduced to the minimum compatible with the design and proper working of the vessel; satisfactory means shall be provided for closing these openings.

(b) Where pipes, scuppers, electric-light cables, etc., are carried through watertight subdivision bulkheads, arrangements shall be made to insure the integrity of the watertightness of the bulkheads.

(c) Within the machinery space and apart from those leading to bunkers and tunnels, not more than one door may be fitted in each main transverse bulkhead for intercommunication. These doors shall be located so as to have the sills as high as practicable.

(d) Doorways, manholes, or access openings are not permitted:

1. In the collision bulkhead below the bulkhead deck.

2. In the main transverse bulkheads dividing a cargo space from an adjoining cargo space or from a permanent or a reserve bunker, except as provided for in rule 22

(c) (1).

(e) The collision bulkhead may be pierced below the margin line by not more than one pipe for dealing with fluid in the forepeak, provided that the pipe is fitted with a screw-down valve capable of being operated from above the bulkhead deck, the valve chest being secured inside the forepeak to the collision bulkhead.

(f) Openings closed only by portable bolted plates are not permitted in watertight bulkheads except in machinery spaces. Such plates shall always be in place before the vessel leaves port and shall not be removed at sea except in case of urgent necessity.

(g) Sluice valves shall not be permitted in the watertight subdivision bulkheads.

RULE 21. Watertight doors, types.—(a) The only types of watertight doors permissible are hinged doors and sliding doors and doors of other equivalent patterns, excluding plate doors secured only by bolts. A sliding door may have a horizontal or vertical motion.

(b) The permissible classes of doors are:

- Class 1. Hinged doors.
- Class 2. Sliding doors, operated by hand gear only.
- Class 3. Sliding doors which close by dropping or by the action of a dropping weight, operated by a releasing arrangement above the bulkhead deck and by hand gear.
- Class 4. Sliding doors operated by power from a central control and by hand gear.

RULE 22. Doors, location of allowed types.—(a) Where a door of a particular class is specified, a door of a class bearing a lower number may not be fitted, but a door of a class bearing a higher number may be fitted.

(b) Class 1 doors in passenger, crew, and working spaces are only permitted above a deck the molded line of which at its lowest point at side is at least seven feet above the deepest subdivision load line, and they are not permitted in such spaces below such a deck.

(c) 1. Class 1 doors may be fitted in bulkheads dividing cargo 'tween deck spaces. These doors shall be closed before the voyage commences and shall be kept closed during the voyage. When it is proposed to fit such doors, the number and arrangements shall be submitted for consideration, and a statement shall be required from the owners certifying as to the absolute necessity of such doors.

2. In special cases, where necessary for loading stores from cargo ports or for access while in port, class 1 doors may be fitted in the bulkheads subject to all the requirements of the foregoing paragraph, and, in addition, where such doors may be accessible at any time during the voyage they shall be fitted with locks to prevent their being opened.

(d) All other doors whose sills are above the deepest subdivision load line may, subject to power doors being required in special cases, subparagraphs (f) and (g), be of class 2.

(e) When any watertight doors which may sometimes be opened at sea, excluding those at the entrance to tunnels, are fitted in the main transverse watertight bulkheads at such a height that their sills are below the deepest subdivision load line, the following rules shall apply, subject to class 4 doors being required in special cases. (See subparagraphs (f) and (g).)

1. When the number of such doors exceeds 5, all the watertight sliding doors whose sills are below the deepest subdivision load line shall be of class 4, capable of being simultaneously closed from a station situated on the bridge.

2. When the number of such doors does not exceed 5:

(i) If the criterion numeral does not exceed 30, all the watertight doors whose sills are below the deepest subdivision load line may be of class 2.

(ii) If the criterion numeral exceeds 30 but does not exceed 60, all the watertight doors whose sills are below the deepest subdivision load line may be of class 3.

(iii) If the criterion numeral exceeds 60, all the watertight doors whose sills are below the deepest subdivision load line shall be of class 4.

(f) 1. Watertight doors fitted in bulkheads between permanent and reserve coal bunkers shall be always accessible except as provided in the following paragraph for 'tween deck bunker doors.

2. If watertight doors which have sometimes to be open at sea for the purpose of trimming coal are fitted between bunkers in the 'tween decks below the bulkhead deck these doors shall be of class 4.

(g) When trunkways in connection with refrigerated cargo are carried through more than one main transverse watertight bulkhead and the sills of the openings are less than 7 feet above the deepest subdivision load line the watertight doors at such openings shall be of class 4.

(h) 1. Where trunkways or tunnels for access from crew's accommodations to the stokehold, for piping, or for any other purpose are carried through main transverse watertight bulkheads and are used as a passage at sea, the access to at least one end shall be through a trunk extending watertight to a height sufficient to permit access above the bulkhead deck.

The access to the other end of the trunkway or tunnel may be through a watertight door of the type required by its location in the vessel. Such trunkways or tunnels shall not extend through the first subdivision bulkhead abaft the collision bulkhead.

2. A short tunnel extending through not more than one main subdivision compartment and which is closed at one end need not be fitted with a door at the other end, provided its sides are not nearer to the shell than is permitted for the sides of a recess in a bulkhead as stated in rule 5 (c) and the volume of the tunnel if included with the volume of the compartment to which it opens does not result in the equivalent length of such compartment being in excess of the permissible length, rule 4 (b) (3).

3. Where it is proposed to fit tunnels or trunkways for forced draft, these shall receive the special consideration of the Bureau of Marine Inspection and Navigation.

RULE 23. Watertight doors, operation and fittings.—

(a) Hinged watertight doors (class 1) shall be fitted with catches workable from either side of the bulkhead so spaced that the door can be made effectively watertight. In the case of a door which is required to be closed before the voyage commences and kept closed all during the voyage, the catches may be fitted to operate from one side only, provided it be shown that under all operating conditions the door shall be always closed from the one side.

(b) The hand closing gear for sliding doors is to be accessible in all cases and capable of being operated both at either side of the door itself and from above the bulkhead deck. The operating gear should consist of a crank handle or a wheel and should be permanently attached to the shafting. If this cannot be done the handle or wheel must be stowed immediately alongside the working position.

(c) A door which closes by dropping or by the action of a dropping weight shall have the releasing gear so arranged that the door can be released both at the door itself and at an accessible position above the bulkhead deck. It shall be fitted with a suitable arrangement to regulate the closing movement. Hand gear shall also be provided as required in subparagraph (b) arranged so that after being disengaged in releasing the door it can be quickly reengaged from either the upper or lower position.

(d) The power gear for closing doors of class 4 shall be operated from a central control in an accessible position above the bulkhead deck. The central control stations for power doors required under the provisions of rule 22 (e) (1) shall be on the bridge. The power gear shall be so arranged that it can also be operated from either side of the door itself, but also so that the door if opened by this local control after being closed from the central control will reclose automatically. The arrangement shall also be such that the door can be kept closed from the local control so that it cannot be opened from the central control. Power doors shall also be fitted with hand gear as required in subparagraph (b), permanently attached to the door, unless satisfactory means are provided for speedily reengaging it. The arrangements shall be such that in the event that the power gear is disabled it will in no way interfere with the efficient operation of the hand gear.

(e) In all classes of doors indicators shall be fitted at all operating stations other than at the door itself showing whether the doors are open or closed and at all operating stations directions for closing the doors should be clearly marked.

(f) Where power doors or doors which close by dropping or by the action of a dropping weight in passenger, crew, or working spaces are capable of being closed from a position from which the doors are not visible, sound signals for giving warning when they are about to be closed are to be provided. These signals are to be arranged to be sounded simultaneously with the action of the closing gear.

(g) Where any door in a subdivision bulkhead is located in whole or in part below the margin line and is not provided with devices to indicate at the central control station

whether the door is open or closed, a means of communication shall be provided, or a system of gongs shall be provided so that the responsible officer may rapidly communicate with those whose duty it is to close the doors.

RULE 24. Watertight doors, design and installation.—(a) The design of all watertight doors shall be subject to approval by the Bureau of Marine Inspection and Navigation. Brass rubbing faces where fitted on sliding doors should be protected against damage, and they may be fitted on either the door or the frame. Vertical or horizontal sliding doors are to be designed so that they are not likely to be prevented from closing properly by lodgments from dirt or pressure from coal.

(b) The operating gear shall be sufficiently powerful to be capable of closing the door under unfavorable circumstances; any leads of shafting should be direct if possible and arrangements should be provided for the proper lubrication and protection from damage of all parts of the gear.

(c) When the bulkhead stiffeners are cut in way of a watertight door the opening is to be suitably framed so as to maintain the full strength of the bulkhead. Where stiffeners are not cut, but the spacing has been increased, the strength and stiffness provided at the sides of the doorways are to be such as to provide not less efficiency than the unpierced bulkhead without taking the door frame into consideration. The frames shall be carefully fitted to the bulkheads and no materials liable to deteriorate with age or readily injured by heat shall be used in the joints. Screens shall be fitted or other arrangements provided to prevent coal from interfering with the closing of watertight coal bunker doors.

RULE 25. Watertight doors, tests.—(a) Watertight doors shall be tested by water pressure to a head not less than the distance from the proposed location of the door in the vessel to the bulkhead deck, nor less than 20 feet for sliding watertight doors and 10 feet for hinged watertight doors. The test, if made before the door is fitted in the vessel, is intended to prove only the strength of the door and frame and the efficiency of the design; and the framing of the structure on which it is mounted should not be such as to give greater reinforcement to the door frame than will be provided by the bulkhead in the vessel, nor is the power applied in closing the door to be greater than that which will be available in the actual installation. Where there are several doors of the same type to be fitted in a ship one of the type may be selected for test at the place of manufacture or at the shipyard, and, provided the result of the test is satisfactory, the remaining doors of the type may be accepted without such tests.

(b) Where the doors are not to be tested under a head of water after installation, extreme care is to be taken in their fitting to see that their frames are in no way deformed, and the watertightness of the attachment of the door frames to the bulkhead as well as the watertightness of the doors is to be tested by a hose in the same manner as prescribed for the bulkheads.

(c) All of the closing arrangements and warning signals are to be operated satisfactorily in the presence of an inspector. The closing tests on coal bunker doors should be made when coal is in the bunkers.

RULE 26. Closing watertight doors at sea.—All watertight doors shall be kept closed during navigation except when necessarily opened for the working of the vessel and shall always be ready to be immediately closed.

RULE 27. Openings in vessel's sides below the bulkhead deck.—(a) The requirements of this rule apply to all openings in the sides of vessels below the bulkhead deck whether or not such openings give direct access to spaces above or below the bulkhead deck, except as otherwise specified.

(b) In the case of a vessel not having a continuous bulkhead deck it is necessary that special consideration should be given to the application of this rule, particularly with regard to openings through the sides of the vessel in way of or leading from spaces below the highest of the trim lines used in the development of the floodable length curves.

(c) The number of openings in vessel's sides below the bulkhead deck shall be reduced to the minimum compatible with the proper design and working of the vessel.

(d) The arrangement and efficiency of the means for closing each opening shall be consistent with its intended purpose and the position in which it is fitted, and shall be to the satisfaction of the Bureau of Marine Inspection and Navigation.

RULE 28. Port lights and dead covers.—(a) The number of port lights which are capable of being opened shall be reduced to a minimum. No port lights shall be fitted in spaces which are appropriated exclusively to cargo or coal. All port lights that for any reason will be inaccessible at sea are to be closed and secured before leaving port.

(b) If, in a 'tween deck, the sills of any port lights are below a line drawn parallel to the molded line of the bulkhead deck at side and having its lowest point $2\frac{1}{2}$ percent of the breadth of the ship above the deepest subdivision load line, all port lights in that 'tween deck shall be of a nonopening type.

(c) If, in a 'tween deck, the sills of any port lights, other than those that require to be of a nonopening type by subparagraph (b), are below a line drawn parallel to the molded line of the bulkhead deck at side and having its lowest point at a height of 12 feet plus $2\frac{1}{2}$ percent of the breadth of the vessel above the deepest subdivision load line, all the port lights in that 'tween deck shall be of such construction as will effectively prevent any person opening them without the consent of the master of the vessel.

(d) Other port lights may be of an ordinary opening type.

(e) If, in a 'tween deck, the sills of any port lights referred to in subparagraph (c) are below a line drawn parallel to the molded line of the bulkhead deck at side and having its lowest point $4\frac{1}{2}$ feet plus $2\frac{1}{2}$ percent of the breadth of the vessel above the load line at which the vessel is floating on her departure from any port, all the port lights in that 'tween deck shall be closed watertight and locked before the vessel leaves port and they shall not be opened during navigation.

When in any 'tween deck any port light is below a line having its lowest point $4\frac{1}{2}$ feet plus $2\frac{1}{2}$ percent of the breadth of the vessel above the deepest subdivision load line, all the port lights in that 'tween deck shall be of such construction that the foregoing condition can be complied with when the vessel is loaded to her deepest subdivision draft.

(f) All port lights are to be of substantial construction subject to approval of the Bureau of Marine Inspection and Navigation. Nonopening port lights are to be thoroughly watertight and port lights which are capable of being opened shall be so constructed that they can be easily and effectively closed and secured watertight. Port lights which are referred to in subparagraph (c) may have in lieu of the customary wing nut a special round slotted or recessed nut requiring a special wrench fitted on one or more of the bolts. Those referred to in subparagraph (e) may have similar arrangements, but the special nuts are to be protected by sleeves or guards so as to render them incapable of being released by the use of any ordinary tools, such as pipe wrenches, etc. (See American Marine Standards Committee, Standard No. 78, plate XIII.)

(g) Hinged inside dead covers shall be fitted to all port lights—

1. Which are required to be of a nonopening type.
2. Which are fitted within one-eighth of the vessel's length from the forward perpendicular.
3. Which are fitted in positions defined in subparagraph (c).
4. Which will not be accessible during navigation.
5. Which are fitted in spaces intended for the accommodation of sailors and firemen.
6. Which are fitted in spaces intended for the accommodation of steerage passengers.

(h) Port lights below the bulkhead deck other than those referred to in the preceding paragraph shall be fitted

with efficient inside dead covers, which may be portable and stowed adjacent to the port lights.

(i) Dead covers shall be of efficient design and arranged so that they can be easily and effectively secured watertight. Where fitted to opening-type port lights, they shall be of such design that it will not be necessary to release the special or locked nut in order to secure the dead cover.

RULE 29. Automatic ventilators.—Automatic ventilators shall not be fitted in vessels' sides below the bulkhead deck without the special sanction of the Bureau of Marine Inspection and Navigation.

RULE 30. Inlets and discharges.—(a) All main and auxiliary inlets and discharges shall be so arranged as to prevent accidental admission of water into the vessel. Cocks or valves are to be fitted to each such inlet or discharge at or near the shell, so arranged that they can be readily opened or closed. Sea chests are to be made with the necks as short as practicable, and where they would require to have long necks if fastened directly to the shell of the vessel, they may, instead, be attached to structural boxes built onto the shell. Sea chests shall be made of cast or forged steel.

(b) Pipes terminating at the shell are not to be fitted in a direct line between the outboard openings and the first rigid connection inboard, but are to be arranged with bends or elbows. Such bends or elbows are not to be of lead or cast iron and are to be sufficient in number to provide for expansion of the pipe, any movement due to the working of the vessel, and to offer reasonable safeguard against damage to the piping due to rubbing or bumping of the vessel in the vicinity of the outboard ends.

(c) Valves fitted on the vessel's sides are to be of substantial construction, are not to be made of cast iron and are to be effectively protected against damage. Where operating gear is provided the lead of shafting should be as direct as possible and all parts of the gear are to be protected against damage.

(d) The number of scuppers, sanitary discharges, tank overflows and other similar openings in vessels' sides shall be reduced to the minimum, either by making each discharge serve for as many as possible of the sanitary and other pipes or in any other satisfactory manner.

(e) Such discharges led through the vessel's sides from spaces below the bulkhead deck shall be fitted with efficient and accessible means for preventing water from passing inboard. It is permissible to have for each separate discharge either one automatic nonreturn valve fitted with a positive means of closing it from above the bulkhead deck or, alternatively, two automatic nonreturn valves without such means, the upper of which valves is to be so situated above the deepest subdivision load line as to be always accessible for examination under service conditions.

(f) In the case of tank overflows, the two nonreturn-valve arrangements as described in subparagraph (b) should always be used unless it is impracticable to arrange the upper valve in an accessible position, in which case the one valve with the positive means of closing may be fitted provided there are suitable arrangements to insure the valve not being closed by unauthorized persons and provided a notice is posted in a conspicuous place at the operating station to the effect that the valve must never be closed except as may be required in an emergency.

(g) Where a positive action valve is fitted the operating position above the bulkhead deck shall be always accessible and indicators shall be provided to show whether the valve is free or closed.

(h) When water closets of the under-waterline type are to be fitted, the arrangements are to be specially considered by the Bureau of Marine Inspection and Navigation.

RULE 31. Side ports.—(a) Gangway, cargo, and coaling ports shall be of sufficient strength. They shall be effectively closed and secured watertight before the ship leaves port and shall be kept closed during navigation.

(b) Where it is proposed to fit cargo or coaling ports partly or entirely below the deepest subdivision load line, a full report of the conditions should be made to the Bureau of

Marine Inspection and Navigation showing that the working of the vessel would be hampered if the fitting of such ports were not approved.

RULE 32. Ash chutes.—(a) The inboard opening of each ash chute, rubbish chute, etc., shall be fitted with an efficient cover.

(b) If the inboard opening is situated below the bulkhead deck the cover shall be watertight and in addition an automatic nonreturn valve shall be fitted in the chute in an easily accessible position above the deepest subdivision load line. When the chute is not in use both the cover and the valve shall be kept closed and secured.

(c) In the case of ash ejectors, or other similar expelling devices, where the inboard openings must necessarily be below the deepest subdivision load line in the boiler room, the foregoing requirements may be waived provided that such ejectors or expelling devices are fitted with efficient valves and other fittings to prevent the accidental admission of water.

RULE 33. Openings in vessels' sides above the bulkhead deck.—(a) Port lights, gangways, cargo and coaling ports, and other means for closing openings in the vessels' sides above the bulkhead deck shall be of efficient design and construction and of sufficient strength having regard to the spaces in which they are fitted and their positions relative to the deepest subdivision load line.

(b) Hinged covers which can be effectively closed and secured watertight shall be fitted to port lights in 'tween decks or superstructures immediately above the bulkhead deck in the following locations:

1. In 'tween deck forecastles closed at the after end, from the stem to one-eighth of the vessel's length abaft the stem.

2. In spaces intended for the stowage of cargo, fuel, stores, or the accommodation of sailors, firemen, or steerage passengers, other than when such spaces are in a superstructure having one or both ends open.

(c) Port lights in spaces above the bulkhead deck other than as specified in subparagraph (a) may be fitted with portable dead covers or fitted with outer plugs stowed in readily accessible positions. Such dead covers or plugs are to be provided for each size of port light to the extent of at least 25 percent of the number of each size not fitted with attached dead covers.

RULE 34. Freeboard deck.—When the bulkhead deck is below the freeboard deck, attention is invited to the necessity of compliance with Section A of these regulations for openings in the sides of vessels below the freeboard deck.

RULE 35. Openings in weather deck.—(a) The bulkhead deck or a deck above it shall be weathertight in the sense that in ordinary sea conditions water will not penetrate in a downward direction.

(b) All openings in the exposed weather deck shall have coamings of ample height and strength and shall be provided with efficient means for expeditiously closing them watertight. All exposed cargo hatches are to be fitted with covers made watertight by the use of pliable gaskets, by heavy canvas tarpaulins thoroughly covering the hatch covers and firmly secured in place by battens which shall be fastened by toggles or wedges, or by the use of efficient screw fastenings.

RULE 36. Freeing ports.—Freeing ports and/or scuppers shall be fitted as necessary for rapidly clearing the weather deck of water under all weather conditions.

RULE 37. Exits.—(a) Each compartment of every vessel where passengers or crew may be quartered or anyone may be employed shall be provided with at least two means of exit so arranged that should one not be available the other will be. One of these exits must be independent of any watertight doors and should give as direct access to the open deck as practicable.

(b) Where such exits are not readily discernible they shall be clearly marked with appropriate notices.

RULE 38. Pumping arrangements—Steamships.—(a) Passenger vessels shall be provided with an efficient pumping

plant capable of pumping from and draining any watertight compartment under all practicable conditions after a casualty whether the ship is upright or listed. For this purpose wing suction will generally be necessary except in narrow compartments at the ends of the ship. Where close ceiling is fitted over the bilges, arrangements shall be made whereby water in the compartment may find its way to the suction pipes. Efficient means shall be provided for draining water from insulated holds.

(b) In addition to the ordinary bilge pump, worked by the main engines, or its equivalent engine-room pump, two independent power bilge pumps shall be provided, except that in ships less than 300 feet in length, having a criterion numeral less than 30, either two efficient hand pumps of the crank type fitted one forward and one aft, or a portable power pump, may be substituted for one of the additional independent power bilge pumps.

In all cases an additional independent power pump shall be fitted when the criterion numeral exceeds 30.

Sanitary, ballast and general service pumps may be accepted as independent power bilge pumps if fitted with the necessary connections to the bilge pumping system.

(c) Where two or more independent power pumps are required, the arrangement shall be such that at least one power pump will be available for use in all ordinary circumstances in which a vessel may be flooded at sea. One of the power pumps shall, therefore, be an emergency pump of a reliable submersible type. A source of power situated above the bulkhead deck shall be available for this pump in any case of emergency.

(d) Where practicable, the power bilge pumps shall be placed in separate watertight compartments so arranged or situated that these compartments will not readily be flooded by the same damage. If the engines and boilers are in two or more watertight compartments, the pumps available for bilge service shall be distributed through these compartments as far as is possible.

(e) With the exception of pumps which may be provided for peak compartments only, each bilge pump, whether operated by hand or by power, shall be arranged to draw water from any hold or machinery compartment in the ship.

(f) Each independent power bilge pump shall be capable of giving a speed of water through the main bilge pipe of not less than 400 feet per minute, and it shall have a separate direct suction, to the compartment in which it is situated, of a diameter not less than that of the bilge main. The direct suction from each independent power bilge pump shall be arranged to pump from either side of the ship.

(g) Main circulating pumps shall have direct suction connections, provided with non-return valves, to the lowest drainage level in the machinery space, and of a diameter at least two thirds that of the main sea inlet. Where the fuel is, or may be, coal, and there is no watertight bulkhead between the engines and boilers, a direct discharge overboard shall be fitted from at least one circulating pump, or alternatively, a by-pass may be fitted to the circulating discharge.

(h) 1. All pipes from the pumps which are required for draining cargo or machinery spaces shall be entirely distinct from pipes which may be used for filling or emptying spaces where water or oil is carried.

2. Lead pipes shall not be used under coal bunkers or oil fuel storage tanks, nor in boiler or machinery spaces, including motor rooms in which oil settling tanks or oil fuel pump units are situated.

(i) The diameters of bilge mains and branches shall be approved by the Bureau of Marine Inspection and Navigation.

(j) The arrangement of the bilge and ballast pumping system shall be such as to prevent the possibility of water passing from the sea and from water ballast spaces into the cargo and machinery spaces, or from one compartment to another. Special provision shall be made to prevent any deep tank having bilge and ballast connections being in-

advertently run up from the sea when containing cargo, or pumped out through a bilge pipe when containing water ballast.

(k) Provision shall be made to prevent the compartment served by any bilge suction pipe being flooded, in the event of the pipe being severed or otherwise damaged, by collision or grounding, in any other compartment. For this purpose, where the pipe is at any part situated near the side of the ship or in a duct keel, there shall be fitted to the pipe in the compartment containing the open end either a non-return valve, or a screwdown valve which can be operated from a position above the bulkhead deck.

(l) All distribution boxes, cocks and valves in connection with the bilge pumping arrangement shall be in positions which are accessible at all times under ordinary circumstances. They shall be so arranged that in the event of flooding the emergency bilge pump may be operative on any compartment. If there is only one system of pipes common to all the pumps, the necessary cocks or valves for controlling the bilge suction must be workable from above the bulkhead deck. If in addition to the main bilge pumping system an emergency bilge pumping system is provided, it shall be independent of the main system and so arranged that the emergency pump is capable of operating on any compartment under flooding conditions.

Motor vessels.—

(m) The bilge pumping arrangements in motor ships shall, so far as practicable, be equivalent to those required for steamships of similar size, except as regards main circulating pumps.

RULE 39. Astern power.—Vessels shall have sufficient power for going astern to secure proper control in all circumstances.

RULE 40. Auxiliary steering apparatus.—(a) Vessels shall be provided with an auxiliary steering apparatus which, however, may be of less power than the main apparatus, and need not be worked by steam or other mechanical power, provided adequate arrangements for manual operation are practicable. A duplicate main steering power plant shall be considered as an auxiliary steering apparatus within the meaning of this paragraph.

(b) A spare tiller properly fitted to the rudder stock with relieving tackle should be provided except in particular cases subject to the special approval of the Bureau of Marine Inspection and Navigation, where the design and arrangement of the main tiller are considered such as to warrant its omission.

(c) An efficient brake shall be provided so that the change from one gear or tiller to another may be effected when necessary.

RULE 41. Subdivision load lines.—(a) Subdivision load lines shall be located by measuring vertically down from the deck line required by section A of these regulations.

(b) The length, width, and manner of marking the lines shall be as provided in Section A, Part 2, of these regulations.

(c) No subdivision load line is to be placed so that the freeboard is reduced from that determined by the highest seasonal mark permitted by Section A.

(d) 1. When the highest subdivision load line is located on a vessel used as a passenger vessel in a position between the highest and lowest seasonal load line marks, the seasonal load line marks above the subdivision load line will be omitted and those below will be marked.

2. When the freeboard from the highest subdivision load line on a vessel used as a passenger vessel is greater than the freeboard from the lowest load line permitted by Section A, the load lines required by Section A shall be omitted and the disk with its horizontal line located in line with the highest subdivision load line.

(e) One fresh water line is to be marked.¹

¹ When a subdivision and a normal load line are combined the normal fresh water line only will be used unless the position of the subdivision load line is such that confusion will result, in which case a subdivision fresh water line may be used, marked FC, and the normal fresh water line omitted.

(f) Subdivision load lines shall be aft of the vertical line. The vertical line shall be extended as necessary to connect the lowest and highest load lines marked on the vessel.

(g) 1. When a vessel has spaces used for cargo and passengers alternatively so that the position of the subdivision load line varies with the service, subdivision load lines for the principal passenger condition shall be marked and denoted by C₁ and the alternative conditions marked and denoted by C₂, C₃, etc. The position of each load line and the conditions under which a particular load line is applicable shall be noted in the certificate.¹

2. The principal passenger condition for a vessel having spaces used for passengers and cargo alternatively is the condition where only those spaces appropriated exclusively to passengers are taken into consideration for determination of the subdivision load line.

PART 3.—RULES FOR DETERMINING SUBDIVISION LOAD LINES FOR PASSENGER VESSELS ENGAGED ON FOREIGN AND COASTWISE VOYAGES ON THE GREAT LAKES

The rules contained in Part 2 of Section D are applicable in the determination and marking of passenger vessels on the Great Lakes with subdivision load lines except where otherwise stated herein:

(a) Passenger vessels on the Great Lakes shall be so subdivided with watertight bulkheads that, based on factors determined by the subdivision load line assigned, the vessel's margin line will not be submerged and the vessel will have positive stability in the event any one main compartment is flooded.

(b) Rule 4, Part 2—"Permissible length of compartments"—is not applicable. On Great Lakes passenger vessels the maximum permissible length of a compartment, having its center at any point in the vessels length, is the floodable length.

(c) Rule 5, Part 2—"Special rules concerning subdivision"—subparagraphs (a), (b), and (d) (1) are not applicable.

(d) Rule 28, subparagraph C, "Port lights of special construction," is not applicable.

(e) RULE 41. *Subdivision load lines*.—All references to Section A should read Section C when applied to Great Lakes passenger vessels and a diamond will be substituted for the disk. No "fresh water" lines will be marked.

[F. R. Doc. 37-2887; Filed, September 28, 1937; 9:32 a. m.]

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

[Regulation A²]

DISCOUNTS FOR AND ADVANCES TO MEMBER BANKS BY FEDERAL RESERVE BANKS

CONTENTS

Introduction.

Section 1. Discount of Notes, Drafts and Bills for Member Banks.

- (a) Commercial, agricultural and industrial paper.
- (b) Bills of exchange payable at sight or on demand.
- (c) Construction loans.
- (d) Agricultural paper.
- (e) Paper of cooperative marketing associations.
- (f) Factors' paper.
- (g) Collateral securing discounted paper.
- (h) Determination of eligibility.
- (i) Limitations.

Section 2. Advances to Member Banks.

- (a) Advances on eligible paper.
- (b) Financial statements.
- (c) Advances on other security under section 10 (b) of the Federal Reserve Act.
- (d) Kinds of collateral which may be used as security for advances under section 10 (b) of the Federal Reserve Act.

¹This entry may be made on the safety certificate required by the International Convention for Safety of Life at Sea, or on the Load Line Certificate.

²This regulation as printed herewith is in the form as revised effective October 1, 1937. (Superseding Regulation A, Series of 1930.) Any inquiry relating to this regulation should be addressed to the Federal Reserve Bank of the district in which the inquiry arises.

Section 3. General Requirements as to Discounts and Advances.

- (a) Applications for discounts or advances.
- (b) Financial statements.
- (c) Speculative use of credit by a member bank.
- (d) Additional or marginal collateral.
- (e) Credit extended on security of obligations of the United States.

Section 4. Paper Acquired from Nonmember Banks.

- (a) Prohibition upon acceptance of nonmember bank paper.
- (b) Applications for permission.
- (c) Paper acquired from Federal Intermediate Credit Banks.

Section 5. Discounts for Federal Intermediate Credit Banks.

- (a) Kinds and maturity of paper.
- (b) Limitations.

Section 6. Bankers' Acceptances.

- (a) Definition.
- (b) Eligibility.
- (c) Maturities.
- (d) Dollar exchange acceptances.
- (e) Evidence of eligibility.

Appendix.

Recommendations of the Board of Governors of the Federal Reserve System as to the minimum standards which should be observed by member banks in making loans upon real estate.

Recommendations of the Board of Governors of the Federal Reserve System as to the minimum standards for installment paper used as collateral security for advances to member banks.

Statutory Provisions.

GENERAL PRINCIPLES

The guiding principle underlying the discount policy of the Federal Reserve banks is the advancement of the public interest. Accordingly, the effect that the granting or withholding of credit accommodation by a Federal Reserve bank may have on a member bank, on its depositors and on the community is of primary importance.

In extending accommodation to any member bank, the Federal Reserve banks are required to have due regard to the demands of other member banks, as well as to the maintenance of sound credit conditions and the accommodation of commerce, industry, and agriculture, and to consider not only the nature of the paper offered, but also the general character and amount of the loans and investments of the member bank, and whether the bank has been extending an undue amount of credit for speculative purposes in securities, real estate, or commodities, or in any other way has conducted its operations in a manner inconsistent with the maintenance of sound credit conditions.

INTRODUCTION

This regulation is based upon and issued pursuant to various provisions of the Federal Reserve Act, the most important of which, together with related provisions of law, are published in the Appendix hereto. The regulation is applicable to the following forms of borrowing from a Federal Reserve bank: (1) discounts for member banks of commercial, agricultural and industrial paper and bankers' acceptances; (2) advances to member banks on their own notes secured by paper eligible for discount or purchase by Federal Reserve banks, by obligations of the United States or certain corporations owned by the United States, or by other security which is satisfactory to the Federal Reserve bank; and (3) discounts for Federal Intermediate Credit banks.

SECTION 1. DISCOUNT OF NOTES, DRAFTS AND BILLS FOR MEMBER BANKS¹

(a) *Commercial, agricultural and industrial paper*.—Any Federal Reserve bank may discount for any of its member banks, under authority of sections 13 and 13a of the Federal

¹Even though paper is not eligible for discount by a Federal Reserve bank for a member bank under the provisions of this regulation, it may be used as security for an advance by a Federal Reserve bank to a member bank under the terms and conditions of subsection (c) and subsection (d) of section 2 of this regulation if it constitutes security satisfactory to the Federal Reserve bank. In addition to the classes of paper mentioned in section 1 of this regulation a Federal Reserve bank may discount bankers' acceptances in accordance with the provisions of section 6 of this regulation.

Reserve Act, any note, draft, or bill of exchange which meets the following requirements:

(1) It must be a negotiable note, draft, or bill of exchange, bearing the indorsement of a member bank, which has been issued or drawn, or the proceeds of which have been used or are to be used, in producing, purchasing, carrying or marketing goods¹ in one or more of the steps of the process of production, manufacture, or distribution, or in meeting current operating expenses of a commercial, agricultural or industrial business, or for the purpose of carrying or trading in direct obligations of the United States (i. e. bonds, notes, Treasury bills or certificates of indebtedness of the United States);

(2) It must not be a note, draft, or bill of exchange the proceeds of which have been used or are to be used for permanent or fixed investments of any kind, such as land, buildings or machinery, or for any other fixed capital purpose;

(3) It must not be a note, draft, or bill of exchange the proceeds of which have been used or are to be used for transactions of a purely speculative character or issued or drawn for the purpose of carrying or trading in stocks, bonds or other investment securities except direct obligations of the United States (i. e. bonds, notes, Treasury bills or certificates of indebtedness of the United States);

(4) It must have a maturity at the time of discount of not exceeding ninety days, exclusive of days of grace, except that agricultural paper as defined below in this section of this regulation may have a maturity of not exceeding nine months, exclusive of days of grace; but this requirement is not applicable with respect to bills of exchange payable at sight or on demand of the kind described in subsection (b) of this section.

(b) *Bills of exchange payable at sight or on demand.*—Any Federal Reserve bank may discount for any of its member banks, under authority of section 13 of the Federal Reserve Act, negotiable bills of exchange payable at sight or on demand which (1) bear the indorsement of a member bank, (2) grow out of the domestic shipment or the exportation of nonperishable, readily marketable staples,² and (3) are secured by bills of lading or other shipping documents conveying or securing title to such staples. All such bills of exchange shall be forwarded promptly for collection, and demand for payment shall be made promptly, unless the drawer instructs that they be held until arrival of such staples at their destination, in which event they must be presented for payment within a reasonable time after notice of such arrival has been received. In no event shall any such bill be held by or for the account of a Federal Reserve bank for a period in excess of ninety days.

(c) *Construction loans.*—In addition to paper of the kinds specified above, any Federal Reserve bank may discount for any of its member banks, under authority of section 24 of the Federal Reserve Act, a negotiable note which (1) represents a loan made to finance the construction of a residential or a farm building whether or not secured by lien upon real estate, (2) is indorsed by such member bank, (3) is accompanied by a valid and binding agreement, entered into by a person³ acceptable to the discounting Federal Reserve bank, requiring such person to advance the full amount of the loan upon the completion of the construction of such residential or farm building, and (4) matures not more than six months from the date such loan was made and not more

than ninety days from the date of such discount by such Federal Reserve bank, exclusive of days of grace.

(d) *Agricultural paper.*—Agricultural paper, within the meaning of this regulation, is a negotiable note, draft, or bill of exchange issued or drawn, or the proceeds of which have been or are to be used, for agricultural purposes, including the production of agricultural products, the marketing of agricultural products by the growers thereof, or the carrying of agricultural products by the growers thereof pending orderly marketing, and the breeding, raising, fattening, or marketing of livestock.

(e) *Paper of cooperative marketing associations.*—Notes, drafts, bills of exchange, or acceptances issued or drawn by cooperative marketing associations composed of producers of agricultural products are deemed to have been issued or drawn for an agricultural purpose within the meaning of the foregoing definition of "agricultural paper", if the proceeds thereof have been or are to be used by such association in making advances to any members thereof for an agricultural purpose, in making payments to any members thereof on account of agricultural products delivered by such members to the association, or to meet expenditures incurred or to be incurred by the association in connection with the grading, processing, packing, preparation for market, or marketing of any agricultural product handled by such association for any of its members. In addition, any other paper of such associations which complies with the applicable requirements of this regulation may be discounted. Paper of cooperative marketing associations the proceeds of which have been or are to be used (1) to defray the expenses of organizing such associations, or (2) for the acquisition of warehouses, for the purchase or improvement of real estate, or for any other permanent or fixed investment of any kind, is not eligible for discount, even though such warehouses or other property is to be used exclusively in connection with the ordinary operations of the association.

(f) *Factors' paper.*—Notes, drafts, and bills of exchange of factors issued as such for the purpose of making advances exclusively to producers of staple agricultural products in their raw state are eligible for discount with maturities not in excess of ninety days, exclusive of days of grace.

(g) *Collateral securing discounted paper.*—Any note, draft, or bill of exchange eligible for discount is not rendered ineligible because it is secured by the pledge of goods or collateral of any nature, including paper ineligible for discount.

(h) *Determination of eligibility.*—A Federal Reserve bank shall take such steps as may be necessary to satisfy itself as to the eligibility of any paper offered for discount. Compliance of paper with the provisions of paragraph (2) of subsection (a) of this section may be evidenced by a statement which adequately reflects the borrower's financial worth and evidences a reasonable excess of quick assets over current liabilities, or such compliance may be evidenced in any other manner satisfactory to the Federal Reserve bank.

(i) *Limitations.*—The aggregate of notes, drafts, and bills upon which any person, copartnership, association, or corporation is liable as maker, acceptor, indorser, drawer, or guarantor, discounted for any member bank shall at no time exceed the amount for which such person, copartnership, association, or corporation may lawfully become liable to a national bank under the terms of section 5200 of the Revised Statutes of the United States, as amended.⁴ The law forbids a Federal Reserve bank to discount for any State member bank notes, drafts, or bills of exchange of any one borrower who is liable for borrowed money to such State member bank in an amount greater than that which could be borrowed lawfully from such State member bank were it a national bank.

SECTION 2. ADVANCES TO MEMBER BANKS

(a) *Advances on eligible paper.*—Any Federal Reserve bank may make advances, under authority of section 13 of the

¹ As used in this regulation the word "goods" shall be construed to include goods, wares, merchandise, or agricultural products, including livestock.

² A readily marketable staple within the meaning of this regulation means an article of commerce, agriculture, or industry of such uses as to make it the subject of constant dealings in ready markets with such frequent quotations of price as to make (a) the price easily and definitely ascertainable, and (b) the staple itself easy to realize upon by sale at any time.

³ Such person may be the member bank offering the note for discount or any other individual, partnership, association or corporation.

⁴ Section 5200 of the Revised Statutes of the United States is printed in the Appendix to this regulation (page 19) together with a tabular analysis of the section prepared in the office of the Comptroller of the Currency (page 22).

Federal Reserve Act, to any of its member banks for periods not exceeding ninety days on the promissory note of such member bank secured by such notes, drafts, bills of exchange, or bankers' acceptances as are eligible for discount by Federal Reserve banks under the provisions of this regulation or for purchase by such banks under the provisions of Regulation B.

(b) *Advances on Government obligations.*—Any Federal Reserve bank may make advances, under authority of section 13 of the Federal Reserve Act, to any of its member banks for periods not exceeding fifteen days¹ on the promissory note of such member bank secured (1) by the deposit or pledge of bonds, notes, certificates of indebtedness, or Treasury bills of the United States, or (2) by the deposit or pledge of debentures or other such obligations of Federal Intermediate Credit banks having maturities of not exceeding six months from the date of the advance, or (3) by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act and guaranteed both as to principal and interest by the United States, or (4) by the deposit of Home Owners' Loan Corporation bonds issued under the provisions of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, and guaranteed both as to principal and interest by the United States.

(c) *Advances on other security under section 10 (b) of the Federal Reserve Act.*—Subject to the provisions of subsection (d) of this section, any Federal Reserve bank may make advances, under authority of section 10 (b) of the Federal Reserve Act, to any of its member banks upon the latter's promissory note secured to the satisfaction of such Federal Reserve bank. The rate on advances made under the provisions of this subsection shall in no event be less than one-half of 1 percent per annum higher than the highest rate applicable to discounts for member banks under the provisions of sections 13 and 13a of the Federal Reserve Act in effect at such Federal Reserve bank. Such an advance must be evidenced by the promissory note of such member bank payable either (1) on a definite date not more than four months after the date of such advance, or (2) at the option of the holder on or before a definite date not more than four months after the date of such advance.

(d) *Kinds of collateral which may be used as security for advances under section 10 (b) of the Federal Reserve Act.*—A Federal Reserve bank may accept as security for an advance made under the provisions of subsection (c) of this section assets of any of the classes enumerated below which are satisfactory to the Federal Reserve bank, or paper secured by assets of such classes:

(1) Assets which may be used as collateral security for advances under subsection (a) of this section, entitled "Advances on eligible paper", or subsection (b) of this section, entitled "Advances on Government obligations";

(2) Paper which would be eligible for discount or for purchase by Federal Reserve banks except by reason of the fact that the period of its maturity is greater than that permitted for paper eligible for discount or purchase;

(3) Investment securities as defined by the Comptroller of the Currency pursuant to section 5136 of the Revised Statutes of the United States;

(4) Obligations evidencing loans upon the security of stock which are made in conformity with the provisions of Regulation U;

(5) Obligations insured under the provisions of Title I or Title II of the National Housing Act;

(6) Debentures, bonds, or other such obligations issued by Federal Home Loan banks or issued under authority of the Federal Farm Loan Act, without regard to the maturity of any such obligations;

¹ However, under the provisions of the last paragraph of section 13 of the Federal Reserve Act, any Federal Reserve bank may make advances for periods not exceeding ninety days to individuals, partnerships, or corporations (including banks) on their promissory notes secured by direct obligations of the United States at rates fixed for the purpose.

(7) Bills, notes, revenue bonds, and warrants which constitute general obligations of any State or of any political subdivision thereof;

(8) Obligations which are issued or drawn for the purpose of financing, refinancing, or carrying real estate and which comply substantially with the standards set forth in the recommendations relating to real estate loans in the Appendix to this regulation;

(9) Obligations which are issued or drawn for the purpose of financing or refinancing the sale of goods upon an installment basis and which comply substantially with the standards set forth in the recommendations relating to loans upon an installment basis in the Appendix to this regulation, and obligations of businesses principally engaged in extending credit on such basis and in substantial accordance with such standards.

In addition, when in the judgment of the Federal Reserve bank circumstances make it advisable to do so, the Federal Reserve bank may accept as security for an advance under subsection (c) of this section any assets other than those set forth above which are satisfactory to the Federal Reserve bank.

SECTION 3. GENERAL REQUIREMENTS AS TO DISCOUNTS AND ADVANCES

(a) *Applications for discounts or advances.*—Every application by a member bank for the discount of paper or for an advance to such bank must contain a certificate of such bank, in form to be prescribed by the Federal Reserve bank, that the paper offered for discount or the security offered for the advance, as the case may be, has not been acquired from a nonmember bank (otherwise than in accordance with section 4 of this regulation) or, if so acquired, that the applying member bank has received permission from the Board of Governors of the Federal Reserve System to discount with the Federal Reserve bank paper acquired from nonmember banks or to obtain advances from the Federal Reserve bank on security so acquired. Every such application shall also contain a notation by the member bank as to whether it has on file a statement which adequately reflects the financial worth of a party primarily liable on the paper offered as security for an advance or for discount or of the person from whom the member bank acquired such paper if such person is legally liable thereon. Every application of a State member bank for the discount of paper must contain a certificate or guaranty to the effect that the borrower is not liable and will not be permitted to become liable to such bank for borrowed money during the time his paper is under discount with the Federal Reserve bank in an amount greater than that which could be borrowed lawfully from such State bank were it a national bank.

(b) *Financial statements.*—In order to determine whether paper offered for discount or security offered for an advance is eligible and acceptable, any Federal Reserve bank may require that there be filed with it statements, or certified copies thereof, which adequately reflect the financial worth (1) of one or more parties to any note, draft, or bill of exchange offered for discount or to any obligation offered as security for an advance and (2) of any corporations or firms affiliated with or subsidiary to such party or parties. A Federal Reserve bank may in any case require such other information as it deems necessary.

(c) *Speculative use of credit by a member bank.*—Each Federal Reserve bank is required by law to keep itself informed of the general character and amount of the loans and investments of its member banks with a view to ascertaining whether undue use is being made of bank credit for the speculative carrying of or trading in securities, real estate, or commodities, or for any other purpose inconsistent with the maintenance of sound credit conditions; and, in determining whether to grant or refuse discounts or advances, the Federal Reserve bank is required to give consideration to such information. Each Federal Reserve bank may require such information from its member banks as it may deem necessary.

in order to determine whether such undue use of bank credit is being made.

(d) *Additional or marginal collateral.*—In connection with any discount or advance under this regulation, a Federal Reserve bank may require such additional or marginal collateral as it may deem advisable or necessary for its protection; and the requirements of this regulation with respect to collateral shall not be applicable to such additional or marginal collateral. In any case in which additional or marginal collateral is required, it is expected that the Federal Reserve bank in determining the amount will give due regard to the public welfare and the general effects that its action may have on the position of the member bank, on its depositors, and on the community; and in general a Federal Reserve bank should limit the amount of collateral it requires to the minimum consistent with safety. In any case where the amount of the assets of a member bank, at their reasonable value determined in a manner satisfactory to the Reserve bank, required as collateral in connection with any discount or advance under the provisions of this regulation exceeds at the time of the discount or advance 25 per cent of the amount of paper discounted or 125 per cent of the amount of the advance, as the case may be, the Federal Reserve bank shall include an explanation of the facts and circumstances of the case in its loan schedule submitted to the Board of Governors of the Federal Reserve System.

(e) *Credit extended on security of obligations of the United States.*—In any case in which the amount of an advance made by a Federal Reserve bank in accordance with the provisions of this regulation on a member bank's promissory note secured by direct obligations of the United States or obligations which are guaranteed both as to principal and interest by the United States is less than the face amount of such obligations, the Reserve bank shall include an explanation of the facts and circumstances of the case in its loan schedule submitted to the Board of Governors of the Federal Reserve System.

SECTION 4. PAPER ACQUIRED FROM NONMEMBER BANKS

(a) *Prohibition upon acceptance of nonmember bank paper.*—Except with the permission of the Board of Governors of the Federal Reserve System, no Federal Reserve bank shall discount or accept as security for an advance any assets acquired by a member bank from, or bearing the signature or indorsement of, a nonmember bank, except assets otherwise eligible which were purchased by the offering bank on the open market or otherwise acquired in good faith and not for the purpose of obtaining credit for a nonmember bank.

(b) *Applications for permission.*—An application for permission to discount paper acquired from nonmember banks or to use as security for advances assets acquired from nonmember banks shall be made by the member bank which desires to offer such paper for discount or such assets as security and shall state fully the facts which give rise to such application and the reasons why the applying member bank desires such permission. Such application shall be addressed to the Board of Governors of the Federal Reserve System but shall be submitted by the member bank to the Federal Reserve bank of the district, which will forward it promptly to the Board of Governors of the Federal Reserve System with its recommendation.

(c) *Paper acquired from Federal Intermediate Credit banks.*—The Board of Governors of the Federal Reserve System hereby grants permission to Federal Reserve banks to discount for member banks paper bearing the signature or indorsement of, or acquired from, Federal Intermediate Credit banks or to make advances to member banks upon the security of paper or assets bearing such a signature or indorsement or so acquired, if otherwise eligible under the law and this regulation.

SECTION 5. DISCOUNTS FOR FEDERAL INTERMEDIATE CREDIT BANKS

(a) *Kinds and maturity of paper.*—Any Federal Reserve bank, under authority of section 13a of the Federal Reserve Act, may discount for any Federal Intermediate Credit bank

(1) agricultural paper as defined in section 1 of this regulation, or (2) notes payable to such Federal Intermediate Credit bank covering loans or advances made by it pursuant to the provisions of section 202 (a) of Title II of the Federal Farm Loan Act, which are secured by notes, drafts, or bills of exchange eligible for discount by Federal Reserve banks. Any paper discounted for a Federal Intermediate Credit bank must bear the indorsement of such bank and must have a maturity at the time of discount of not more than nine months, exclusive of days of grace.

(b) *Limitations.*—No Federal Reserve bank shall discount for any Federal Intermediate Credit bank any paper which bears the indorsement of any nonmember State bank or trust company which is eligible for membership in the Federal Reserve System under the terms of section 9 of the Federal Reserve Act. In acting upon applications for the discount of paper for Federal Intermediate Credit banks, each Federal Reserve bank shall give preference to the demands of its own member banks and shall have due regard to the probable future needs of its own member banks. Except with the permission of the Board of Governors of the Federal Reserve System, no Federal Reserve bank shall discount paper for any Federal Intermediate Credit bank when its own reserves amount to less than 50 percent of its own aggregate liabilities for deposits and Federal Reserve notes in actual circulation.

SECTION 6. BANKERS' ACCEPTANCES¹

(a) *Definition.*—A banker's acceptance within the meaning of this regulation is a draft or bill of exchange, whether payable in the United States or abroad and whether payable in dollars or some other money, accepted by a bank or trust company, or a firm, person, company, or corporation engaged generally in the business of granting bankers' acceptance credits.

(b) *Eligibility.*—Any Federal Reserve bank may discount for any of its member banks any such banker's acceptance bearing the indorsement of a member bank and having a maturity at the time of discount not greater than that prescribed by subsection (c) of this section, which has been drawn under a credit opened for the purpose of conducting or settling accounts resulting from a transaction or transactions involving any one of the following:

(1) The shipment of goods between the United States and any foreign country, or between the United States and any of its dependencies or insular possessions, or between dependencies or insular possessions and foreign countries, or between foreign countries;²

(2) The shipment of goods within the United States, provided shipping documents conveying security title are attached at the time of acceptance; or

(3) The storage in the United States or in any foreign country of readily marketable staples,³ provided that the bill is secured at the time of acceptance by a warehouse, terminal, or other similar receipt, conveying security title to such staples, issued by a party independent of the customer or issued by a grain elevator or warehouse company duly bonded and licensed and regularly inspected by State or Federal authorities with whom all receipts for such staples and all transfers thereof are registered and without whose consent no staples may be withdrawn; and provided further that the acceptor remains secured throughout the life of the acceptance. In the event that the goods must be withdrawn from storage prior to the

¹ For regulations governing the acceptance by member banks of drafts and bills of exchange drawn on them, see Regulation C.

² In accepting any draft or bill of exchange arising out of a shipment of the kind referred to in clause 1 of subsection (b) of section 6 of this regulation, the accepting bank will be expected to obtain substantiating evidence as to the eligibility of the transaction underlying such draft or bill of exchange.

³ A readily marketable staple within the meaning of this regulation means an article of commerce, agriculture, or industry of such uses as to make it the subject of constant dealings in ready markets with such frequent quotations of price as to make (a) the price easily and definitely ascertainable and (b) the staple itself easy to realize upon by sale at any time.

maturity of the acceptance or the retirement of the credit, a trust receipt or other similar document covering the goods may be substituted in lieu of the original document, provided that such substitution is conditioned upon a reasonably prompt liquidation of the credit. In order to insure compliance with this condition it should be required, when the original document is released, either (A) that the proceeds of the goods will be applied within a specified time toward a liquidation of the acceptance credit or (B) that a new document, similar to the original one, will be resubstituted within a specified time.

Provided, That acceptances for any one customer in excess of 10 per cent of the capital and surplus of the accepting bank must remain actually secured throughout the life of the acceptance, and in the case of the acceptances of member banks this security must consist of shipping documents, warehouse receipts, or other such documents, or some other actual security growing out of the same transaction as the acceptance, such as documentary drafts, trade acceptances, terminal receipts, or trust receipts which have been issued under such circumstances, and which cover goods of such a character, as to insure at all times a continuance of an effective and lawful lien in favor of the accepting bank, other trust receipts not being considered such actual security if they permit the customer to have access to or control over the goods.

(c) *Maturities*.—No such acceptance is eligible for discount which has a maturity at the time of discount in excess of ninety days' sight, exclusive of days of grace, except that acceptances drawn for agricultural purposes and secured at the time of acceptance by warehouse receipts or other such documents conveying or securing title covering readily marketable staples may be discounted with maturities at the time of discount of not more than six months' sight, exclusive of days of grace. Although a Federal Reserve bank may legally discount an acceptance having a maturity at the time of discount not greater than that prescribed above in this subsection, an acceptance should not have a maturity which is in excess of the usual or customary period of credit required to finance the underlying transaction or which is in excess of the period reasonably necessary to finance such transaction. Since the purpose of permitting the acceptance of drafts secured by warehouse receipts or other such documents is to permit the temporary holding of readily marketable staples in storage pending a reasonably prompt sale, shipment, or distribution, no such acceptance should have a maturity in excess of the time ordinarily necessary to effect a reasonably prompt sale, shipment, or distribution into the process of manufacture or consumption.

(d) *Dollar exchange acceptances*.—A Federal Reserve bank may also discount any bill drawn by a bank or banker in a foreign country or dependency or insular possession of the United States for the purpose of furnishing dollar exchange as provided in Regulation C, provided that it has a maturity at the time of discount of not more than three months, exclusive of days of grace.

(e) *Evidence of eligibility*.—A Federal Reserve bank must be satisfied, either by reference to the acceptance itself or otherwise, that the acceptance is eligible for discount under the terms of the law and the provisions of this regulation. The bill itself should be drawn so as to evidence the character of the underlying transaction, but if it is not so drawn evidence of eligibility may consist of a stamp or certificate affixed by the acceptor in form satisfactory to the Federal Reserve bank.

APPENDIX

Recommendations of the Board of Governors of the Federal Reserve System as to the Minimum Standards Which Should Be Observed by Member Banks in Making Loans Upon Real Estate

While recognizing that requirements of individual banks in making loans for the purpose of financing or carrying

real estate will vary according to the circumstances of particular transactions, the Board of Governors of the Federal Reserve System believes that certain minimum standards should be observed. Some of these standards are specifically required by law with respect to loans of national banks. Others are advisable as a matter of sound banking practice. The examiners for the Federal Reserve banks should take such standards into consideration in reviewing loans of State member banks, and Federal Reserve banks in passing upon applications of member banks for credit accommodations supported by real estate loans should give preference to the acceptance as collateral of such loans as meet these standards. With these considerations in mind the Board recommends that member banks in making or acquiring real estate loans, other than those insured under Title II of the National Housing Act, apply the standards set forth below as minimum requirements:

(1) Obligations issued or drawn for the purpose of financing, refinancing, or carrying real estate should be secured by first lien, evidenced by mortgage, trust deed, or other such instrument, upon improved real estate, including improved farm land and improved business and residential properties;

(2) The amount of the loan or loans evidenced by such obligations should not exceed 50 per cent of the appraised value of the real estate securing such loan or loans and no such loan should be for a longer term than five years, except that any such loan may be in an amount not exceeding 60 per cent of the appraised value of the real estate securing such loan and for a term not longer than ten years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which 40 per cent or more of the principal of the loan will be amortized within a period of not more than ten years by means of substantially equal monthly, quarterly, semiannual, or annual payments on principal with interest added or on principal and interest combined, and member banks should take reasonable steps to satisfy themselves that the payments and other requirements of the obligations will be met in accordance with their terms;

(3) There should be on file with the member bank with respect to such obligations the following documents or properly certified or photostat copies thereof:

(a) an appraisal of the value of the real estate which has been made within a reasonable time before the obligation was acquired by the member bank (i) by one or more competent and experienced appraisers independent of the member bank who have no interest, direct or indirect, in the real estate, or (ii) if the member bank maintains a separate real estate department, by one or more officers or employees who are regularly assigned to such department, who specialize in real estate appraisals and who have no interest, direct or indirect, in the real estate, or (iii) by a committee appointed by the board of directors and consisting of not less than two members who are qualified for the purpose and have no interest, direct or indirect, in the real estate, and which appraisal contains, in addition to such other data as may be required by the member bank, statements as to the purpose for which the real estate is used or is proposed to be used and the nature and amount of the income received therefrom;

(b) an adequate description of the real estate, including the improvements;

(c) evidence of the title to the real estate in the form of a certificate of a title company, a title insurance policy, an opinion of a competent attorney, or other form satisfactory to the member bank;

(d) satisfactory evidence that no taxes or assessments thereon are delinquent and that adequate insurance is carried; and

(e) such other information and documents as the circumstances of the case may render advisable.

Recommendations of the Board of Governors of the Federal Reserve System as to the Minimum Standards for Installment Paper Used as Collateral Security for Advances to Member Banks

While recognizing that requirements of individual banks in making loans for the purpose of financing or refinancing the sale of goods upon an installment basis will vary according to the circumstances of particular transactions, the Board of Governors of the Federal Reserve System believes that certain minimum standards should be observed as a matter of sound banking practice. The examiners for the Federal Reserve banks should take such standards into consideration in reviewing loans of State member banks, and Federal Reserve banks in passing upon applications of member banks for credit accommodations supported by obligations issued or drawn for the purpose of financing or refinancing the sale of goods upon an installment basis should give preference to the acceptance as collateral of such loans as meet these standards. With these considerations in mind, the Board recommends that the standards set forth below be applied by all member banks as minimum requirements in making or acquiring such loans:

(1) Obligations which are issued or drawn for the purpose of financing or refinancing the sale of goods upon an installment basis should be secured by first lien upon or retention of title to such goods through a chattel mortgage, conditional sales contract, bailment lease, or other similar instrument, insuring at all times the continuance of an effective and lawful lien or retention of title in favor of the holder of such obligations;

(2) The goods should be of such nature and the terms of the obligations should be such that in the event of the resale of the goods at any time during the life of the obligations it may reasonably be expected that the sum realized will be substantially greater than that necessary to liquidate the amount of the obligations then unpaid, including interest and all charges; and

(3) Member banks should take reasonable steps to satisfy themselves that the payments and other requirements of the obligations will be met in accordance with their terms.

Statutory Provisions

Section 4 of the Federal Reserve Act reads in part as follows:

Said board of directors shall administer the affairs of said bank fairly and impartially and without discrimination in favor of or against any member bank or banks and may, subject to the provisions of law and the orders of the Board of Governors of the Federal Reserve System, extend to each member bank such discounts, advancements, and accommodations as may be safely and reasonably made with due regard for the claims and demands of other member banks, the maintenance of sound credit conditions, and the accommodation of commerce, industry, and agriculture. The Board of Governors of the Federal Reserve System may prescribe regulations further defining within the limitations of this Act the conditions under which discounts, advancements, and the accommodations may be extended to member banks. Each Federal reserve bank shall keep itself informed of the general character and amount of the loans and investments of its member banks with a view to ascertaining whether undue use is being made of bank credit for the speculative carrying of or trading in securities, real estate, or commodities, or for any other purpose inconsistent with the maintenance of sound credit conditions; and, in determining whether to grant or refuse advances, rediscounts or other credit accommodations, the Federal reserve bank shall give consideration to such information. The chairman of the Federal Reserve bank shall report to the Board of Governors of the Federal Reserve System any such undue use of bank credit by any member bank, together with his recommendation. Whenever, in the judgment of the Board of Governors of the Federal Reserve System, any member bank is making such undue use of bank credit, the Board may, in its discretion, after reasonable notice and an opportunity for a hearing, suspend such bank from the use of the credit facilities of the Federal Reserve System and may terminate such suspension or may renew it from time to time.

Section 9 of the Federal Reserve Act reads in part as follows:

Provided, however, That no Federal Reserve bank shall be permitted to discount for any State bank or trust company notes, drafts, or bills of exchange of any one borrower who is liable for

borrowed money to such State bank or trust company in an amount greater than that which could be borrowed lawfully from such State bank or trust company were it a national banking association. The Federal Reserve bank, as a condition of the discount of notes, drafts, and bills of exchange for such State bank or trust company, shall require a certificate or guaranty to the effect that the borrower is not liable to such bank in excess of the amount provided by this section, and will not be permitted to become liable in excess of this amount while such notes, drafts, or bills of exchange are under discount with the Federal Reserve bank.

Section 10 (b) of the Federal Reserve Act reads as follows:

Sec. 10 (b). Any Federal Reserve bank, under rules and regulations prescribed by the Board of Governors of the Federal Reserve System, may make advances to any member bank on its time or demand notes having maturities of not more than four months and which are secured to the satisfaction of such Federal Reserve bank. Each such note shall bear interest at a rate not less than one-half of 1 per centum per annum higher than the highest discount rate in effect at such Federal Reserve bank on the date of such note.

Section 13 of the Federal Reserve Act reads in part as follows:

Upon the indorsement of any of its member banks, which shall be deemed a waiver of demand, notice and protest by such bank as to its own indorsement exclusively, any Federal Reserve bank may discount notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or are to be used, for such purposes, the Board of Governors of the Federal Reserve System to have the right to determine or define the character of the paper thus eligible for discount, within the meaning of this Act. Nothing in this Act contained shall be construed to prohibit such notes, drafts, and bills of exchange, secured by staple agricultural products, or other goods, wares, or merchandise from being eligible for such discount, and the notes, drafts, and bills of exchange of factors issued as such making advances exclusively to producers of staple agricultural products in their raw state shall be eligible for such discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States.¹ Notes, drafts, and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than 90 days, exclusive of grace.

Upon the indorsement of any of its member banks, which shall be deemed a waiver of demand, notice, and protest by such bank as to its own indorsement exclusively, and subject to regulations and limitations to be prescribed by the Board of Governors of the Federal Reserve System, any Federal reserve bank may discount or purchase bills of exchange payable at sight or on demand which grow out of the domestic shipment or the exportation of nonperishable, readily marketable agricultural and other staples and are secured by bills of lading or other shipping documents conveying or securing title to such staples: *Provided*, That all such bills of exchange shall be forwarded promptly for collection, and demand for payment shall be made with reasonable promptness after the arrival of such staples at their destination: *Provided further*, That no such bill shall in any event be held by or for the account of a Federal reserve bank for a period in excess of ninety days. In discounting such bills Federal reserve banks may compute the interest to be deducted on the basis of the estimated life of each bill and adjust the discount after payment of such bills to conform to the actual life thereof.

The aggregate of notes, drafts, and bills upon which any person, copartnership, association, or corporation is liable as maker, acceptor, indorser, drawer, or guarantor rediscounted for any member bank, shall at no time exceed the amount for which such person, copartnership, association, or corporation may lawfully become liable to a national banking association under the terms of section 5200 of the Revised Statutes, as amended: *Provided, however*, That nothing in this paragraph shall be construed to change the character or class of paper now eligible for rediscount by Federal reserve banks.

Any Federal reserve bank may discount acceptances, of the kinds hereinafter described, which have a maturity at the time of discount of not more than ninety days' sight, exclusive of days of grace, and which are indorsed by at least one member bank: *Provided*, That such acceptances if drawn for an agricultural purpose and secured at the time of acceptance by warehouse receipts or other such documents conveying or securing title covering readily marketable staples may be discounted with a maturity at the time of discount of not more than six months' sight exclusive of days of grace.

Any member bank may accept drafts or bills of exchange drawn upon it having not more than six months' sight to run, ex-

¹ Or Treasury bills or certificates of indebtedness. See act approved June 17, 1929 (45 Stat., 19), amending sec. 5 of Second Liberty Bond Act, approved Sept. 24, 1917 (40 Stat., 290).

clusive of days of grace, which grow out of transactions involving the importation or exportation of goods; or which grow out of transactions involving the domestic shipment of goods provided shipping documents conveying or securing title are attached at the time of acceptance; or which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples.

Any Federal Reserve bank may make advances for periods not exceeding fifteen days to its member banks on their promissory notes secured by the deposit or pledge of bonds, notes, certificates of indebtedness, or Treasury bills of the United States, or by the deposit or pledge of debentures or other such obligations of Federal intermediate credit banks which are eligible for purchase by Federal reserve banks under section 13 (a) of this Act, or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act, or by the deposit or pledge of bonds issued under the provisions of subsection (c) of Section 4 of the Home Owners' Loan Act of 1933, as amended; and any Federal reserve bank may make advances for periods not exceeding ninety days to its member banks on their promissory notes secured by such notes, drafts, bills of exchange, or bankers' acceptances as are eligible for rediscount or for purchase by Federal reserve banks under the provisions of this Act. All such advances shall be made at rates to be established by such Federal reserve banks, such rates to be subject to the review and determination of the Board of Governors of the Federal Reserve System. If any member bank to which any such advance has been made shall, during the life or continuance of such advance, and despite an official warning of the reserve bank of the district or of the Board of Governors of the Federal Reserve System to the contrary, increase its outstanding loans secured by collateral in the form of stocks, bonds, debentures, or other such obligations, or loans made to members of any organized stock exchange, investment house, or dealer in securities, upon any obligation, note, or bill, secured or unsecured, for the purpose of purchasing and/or carrying stocks, bonds, or other investment securities (except obligations of the United States) such advance shall be deemed immediately due and payable, and such member bank shall be ineligible as a borrower at the reserve bank of the district under the provisions of this paragraph for such period as the Board of Governors of the Federal Reserve System shall determine: *Provided*, That no temporary carrying or clearance loans made solely for the purpose of facilitating the purchase or delivery of securities offered for public subscription shall be included in the loans referred to in this paragraph.

The discount and rediscount and the purchase and sale by any Federal reserve bank of any bills receivable and of domestic and foreign bills of exchange, and of acceptances authorized by this Act, shall be subject to such restrictions, limitations, and regulations as may be imposed by the Board of Governors of the Federal Reserve System.

Any member bank may accept drafts or bills of exchange drawn upon it having not more than three months' sight to run, exclusive of days of grace, drawn under regulations to be prescribed by the Board of Governors of the Federal Reserve System by banks or bankers in foreign countries or dependencies or insular possessions of the United States for the purpose of furnishing dollar exchange as required by the usages of trade in the respective countries, dependencies, or insular possessions. Such drafts or bills may be acquired by Federal reserve banks in such amounts and subject to such regulations, restrictions, and limitations as may be prescribed by the Board of Governors of the Federal Reserve System:

Section 13a of the Federal Reserve Act as amended reads in part as follows:

Upon the indorsement of any of its member banks, which shall be deemed a waiver of demand, notice, and protest by such bank as to its own indorsement exclusively, any Federal reserve bank may, subject to regulations and limitations to be prescribed by the Board of Governors of the Federal Reserve System, discount notes, drafts, and bills of exchange issued or drawn for an agricultural purpose, or based upon live stock, and having a maturity, at the time of discount, exclusive of days of grace, not exceeding nine months.

That any Federal reserve bank may, subject to regulations and limitations to be prescribed by the Board of Governors of the Federal Reserve System, rediscount such notes, drafts, and bills for any Federal Intermediate Credit Bank, except that no Federal reserve bank shall rediscount for a Federal Intermediate Credit Bank any such note or obligation which bears the indorsement of a nonmember State bank or trust company which is eligible for membership in the Federal reserve system, in accordance with section 9 of this Act. Any Federal reserve bank may also, subject to regulations and limitations to be prescribed by the Board of Governors of the Federal Reserve System, discount notes payable to and bearing the indorsement of any Federal intermediate credit bank covering loans or advances made by such bank pursuant to the provisions of section 202 (a) of Title II of the Federal Farm Loan Act, as amended (U. S. C., Title 12, ch. 8, sec. 1031), which have maturities at the time of discount of not more than nine

months, exclusive of days of grace, and which are secured by notes, drafts, or bills of exchange eligible for rediscount by Federal Reserve banks.

Notes, drafts, bills of exchange or acceptances issued or drawn by cooperative marketing associations composed of producers of agricultural products shall be deemed to have been issued or drawn for an agricultural purpose, within the meaning of this section, if the proceeds thereof have been or are to be advanced by such association to any members thereof for an agricultural purpose, or have been or are to be used by such association in making payments to any members thereof on account of agricultural products delivered by such members to the association, or if such proceeds have been or are to be used by such association to meet expenditures incurred or to be incurred by the association in connection with the grading, processing, packing, preparation for market, or marketing of any agricultural product handled by such association for any of its members: *Provided*, That the express enumeration in this paragraph of certain classes of paper of cooperative marketing associations as eligible for rediscount shall not be construed as rendering ineligible any other class of paper of such associations which is now eligible for rediscount.

The Board of Governors of the Federal Reserve System may, by regulation, limit to a percentage of the assets of a Federal reserve bank the amount of notes, drafts, acceptances, or bills having a maturity in excess of three months, but not exceeding six months, exclusive of days of grace, which may be discounted by such bank, and the amount of notes, drafts, bills, or acceptances having a maturity in excess of six months, but not exceeding nine months, which may be rediscounted by such bank.

Section 19 of the Federal Reserve Act reads in part as follows:

* * * No member bank shall act as the medium or agent of a nonmember bank in applying for or receiving discounts from a Federal reserve bank under the provisions of this Act, except by permission of the Board of Governors of the Federal Reserve System.

Section 24 of the Federal Reserve Act reads in part as follows:

Loans made to finance the construction of residential or farm buildings and having maturities of not to exceed six months, whether or not secured by a mortgage or similar lien on the real estate upon which the residential or farm building is being constructed, shall not be considered as loans secured by real estate within the meaning of this section but shall be classed as ordinary commercial loans: *Provided*, That no national banking association shall invest in, or be liable on, any such loans in an aggregate amount in excess of 50 per centum of its actually paid-in and unimpaired capital. Notes representing such loans shall be eligible for discount as commercial paper within the terms of the second paragraph of section 13 of the Federal Reserve Act, as amended, if accompanied by a valid and binding agreement to advance the full amount of the loan upon the completion of the building entered into by an individual, partnership, association, or corporation acceptable to the discounting bank.

Section 5200 of the Revised Statutes of the United States reads as follows:

SEC. 5200. The total obligations to any national banking association of any person, copartnership, association, or corporation shall at no time exceed 10 per centum of the amount of the capital stock of such association actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund. The term "obligations" shall mean the direct liability of the maker or acceptor of paper discounted with or sold to such association and the liability of the indorser, drawer, or guarantor who obtains a loan from or discounts paper with or sells paper under his guaranty to such association and shall include in the case of obligations of a copartnership or association the obligations of the several members thereof and shall include in the case of obligations of a corporation all obligations of all subsidiaries thereof in which such corporation owns or controls a majority interest. Such limitation of 10 per centum shall be subject to the following exceptions:

(1) Obligations in the form of drafts or bills of exchange drawn in good faith against actually existing values shall not be subject under this section to any limitation based upon such capital and surplus.

(2) Obligations arising out of the discount of commercial or business paper actually owned by the person, copartnership, association, or corporation negotiating the same shall not be subject under this section to any limitation based upon such capital and surplus.

(3) Obligations drawn in good faith against actually existing values and secured by goods or commodities in process of shipment shall not be subject under this section to any limitation based upon such capital and surplus.

(4) Obligations as indorser or guarantor of notes, other than commercial or business paper excepted under (2) hereof, having a maturity of not more than six months, and owned by the person, corporation, association, or copartnership indorsing and negotiating

the same, shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

(5) Obligations in the form of banker's acceptances of other banks of the kind described in section 13 of the Federal Reserve Act shall not be subject under this section to any limitation based upon such capital and surplus.

(6) Obligations of any person, copartnership, association or corporation, in the form of notes or drafts secured by shipping documents, warehouse receipts or other such documents transferring or securing title covering readily marketable nonperishable staples when such property is fully covered by insurance, if it is customary to insure such staples, shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus when the market value of such staples securing such obligations is not at any time less than 115 per centum of the face amount of such obligation, and to an additional increase of limitation of 5 per centum of such capital and surplus in addition to such 25 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 120 per centum of the face amount of such additional obligation, and to a further additional increase of limitation of 5 per centum of such capital and surplus in addition to such 30 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 125 per centum of the face amount of such additional obligation, and to a further additional increase of limitation of 5 per centum of such capital and surplus in addition to such 35 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 130 per centum of the face amount of such additional obligation, and to a further additional increase of limitation of 5 per centum of such capital and surplus in addition to such 40 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 135 per centum of the face amount of such additional obligation, and to a further additional increase of limitation of 5 per centum of such capital and surplus in addition to such 45 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 140 per centum of the face amount of such additional obligation, but this exception shall not apply to obligations of any one person, copartnership, association or corporation arising from the same transactions and/or secured upon the identical staples for more than ten months.

(7) Obligations of any person, copartnership, association, or corporation in the form of notes or drafts secured by shipping documents or instruments transferring or securing title covering livestock or giving a lien on livestock when the market value of the livestock securing the obligation is not at any time less than 115 per centum of the face amount of the notes covered by such documents shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

(8) Obligations of any person, copartnership, association, or corporation in the form of notes secured by not less than a like amount of bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States, Treasury bills of the United States, or obligations fully guaranteed both as to principal and interest by the United States, shall (except to the extent permitted by rules and regulations prescribed by the Comptroller of the Currency, with the approval of the Secretary of the Treasury) be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

(9) Obligations representing loans to any national banking association or to any banking institution organized under the laws of any State, or to any receiver, conservator, or superintendent of banks, or to any other agent, in charge of the business and property of any such association or banking institution, when such loans are approved by the Comptroller of the Currency, shall not be subject under this section to any limitation based upon such capital and surplus.

Tabular Analysis of Section 5200 of the Revised Statutes of the United States Prepared in the Office of the Comptroller of the Currency

Obligations (see definition in section 5200 above)	Amounts loanable
(A) Accommodation or straight loans, whether or not single name, including liability as endorser or guarantor (where endorser or guarantor receives the proceeds from bank) of paper not coming within exceptions 2 and 4. Loans secured by stocks, bonds, and authorized real estate mortgages.	Maximum limit, 10 percent of bank's paid up and unimpaired capital and surplus.
(1) Drafts or "bills of exchange drawn in good faith against actually existing values."	No limit imposed by law.
(2) Commercial or business paper (of other makers) actually owned by the person, copartnership, association, or corporation negotiating the same.	No limit imposed by law.

No. 187—6

Tabular Analysis of Section 5200 of the Revised Statutes of the United States Prepared in the Office of the Comptroller of the Currency—Continued

Obligations (see definition in section 5200 above)	Amounts loanable
(3) Obligations secured by goods or commodities in process of shipment.	No limit imposed by law.
(4) Obligations as endorser or guarantor of notes (other than commercial or business paper) maturing within six months, owned by endorser.	15 percent in addition to 10 percent (A).
(5) Bankers' acceptances of the kinds described in section 13 of the Federal Reserve Act.	No limit imposed by law.
(6) Obligations secured by shipping, documents, warehouse receipts, or other such documents, transferring or securing title covering readily marketable nonperishable staples— (a) When the actual market value of the property is not at any time less than shown in table herewith. (b) When the property is fully covered by insurance (if customary to insure such commodity), and in no event shall this exception apply to obligations of any one customer arising from the same transactions and/or secured upon the identical staples for more than 10 months.	15 percent, secured by 115 percent. 5 percent, secured by 120 percent. 5 percent, secured by 125 percent. 5 percent, secured by 130 percent. 5 percent, secured by 135 percent. 5 percent, secured by 140 percent. 40 percent in addition to regular 10 percent loan (A).
(7) Obligations secured by shipping documents or instruments covering livestock or giving a lien thereon having a market value of not less than 115 percent of the amount of the loan.	15 percent in addition to regular 10 percent loan (A).
(8) Notes secured by not less than a like face amount of bonds or notes of the United States issued since April 24, 1917, or by certificates of indebtedness of the United States, Treasury bills of the United States or obligations fully guaranteed by the United States as to principal and interest.	15 percent of bank's capital and surplus, in addition to the amount allowed under (A), or if the full amount allowed under (A) is not loaned, then the amount which may be loaned in the manner described under (8) is increased by the loanable amount not used under (A). In other words, the amount loaned under (A) must never be more than 10 percent, but the aggregate of (A) and (8) may equal, but not exceed, 25 percent.
(9) Loans to any bank or representative in charge of its business, when approved by the Comptroller (Act May 20, 1933).	No limit.

The above regulation was approved by the Board of Governors of the Federal Reserve System on September 14, 1937, to become effective October 1, 1937.

[SEAL]

S. R. CARPENTER,
Assistant Secretary.

[F. R. Doc. 37-2884; Filed, September 27, 1937; 2:03 p. m.]

FEDERAL HOME LOAN BANK BOARD.

Home Owners' Loan Corporation.

ADDING NEW SECTION TO PROPERTY MANAGEMENT CHAPTER (CHAPTER 3) OF THE MANUAL

PAYMENT OF DELINQUENT WATER BILLS

Be it resolved, That pursuant to the authority vested in the Board by Home Owners' Loan Act of 1933 (48 Stat. 128, 129) as amended by Sections 1 and 13 of the Act of April 27, 1934 (48 Stat. 643-647) and particularly by Sections 4-a and 4-k of said Act as amended, a section be added to the Consolidated Manual, said Section to become effective immediately upon adoption of this resolution, and to be appropriately numbered and added to the Property Management Chapter (Chapter 3) of the Consolidated Manual when completed, and to read as follows:

The General Manager is vested with the authority to direct payment of delinquent water bills where required to assure continuance of water service in respect to properties owned by the Corporation, or those under the jurisdiction of Property Management Division.

The General Manager, with the approval of the General Counsel, is authorized to approve and execute on behalf of the Corporation any agreement with municipal officials or private water companies designed to compromise such water service charges with respect to present or future cases in any state.

Any Regional or State Manager may exercise the authority herein granted, under procedure and limitations prescribed by the General Manager with the approval of the General Counsel.

Adopted by the Federal Home Loan Bank Board on September 27, 1937.

[SEAL]

R. L. NAGLE, *Secretary*.

[F. R. Doc. 37-2891; Filed, September 28, 1937; 11:56 a. m.]

FEDERAL HOUSING ADMINISTRATION.

ADMINISTRATIVE RULES AND REGULATIONS UNDER TITLE II OF THE NATIONAL HOUSING ACT

TABLE OF CONTENTS

Section I. Approval of mortgagees.
Section II. Approval of acceptable assignees.
Section III. Application for insurance.
Section IV. Eligible mortgages.
Section V. Eligible mortgagors.
Section VI. Eligible properties.
Section VII. Effective date.
Article I. Citation.
Article II. Definitions.
Article III. Premiums.
Article IV. Acceptance for insurance.
Article V. Classification of mortgages.
Article VI. Rights and duties of an approved mortgagee under the contract of insurance.
Article VII. Assignments.
Article VIII. Vested rights.
Article IX. Amendments.
Article X. Effective date.

ADMINISTRATIVE RULES OF THE FEDERAL HOUSING ADMINISTRATOR FOR MUTUAL MORTGAGE INSURANCE UNDER TITLE II OF THE NATIONAL HOUSING ACT

Section I. Approval of Mortgagees

1. The following institutions are hereby approved as mortgagees under Section 203 (b) of the National Housing Act:

- (a) National Mortgage Associations,
- (b) Federal Reserve Banks,
- (c) Federal Home Loan Banks,
- (d) Reconstruction Finance Corporation,
- (e) RFC Mortgage Company, and
- (f) any other Federal, State or municipal governmental agency that is or may hereafter be empowered to hold mortgages insured under Title II of the National Housing Act as security or as collateral or for any other purpose.

2. Members of the Federal Reserve System, of the Federal Deposit Insurance Corporation, and of the Federal Home Loan Bank System will be approved as mortgagees upon application.

3. Any charitable or nonprofit organization which presents evidence that it is responsible, has permanent funds of not less than one hundred thousand dollars (\$100,000), and has experience in mortgage investment, may be approved upon application.

4. Any other institution not hereinbefore mentioned will be approved as a mortgagee upon application if it has the following qualifications and meets the following conditions to the satisfaction of the Administrator:

- (a) it is a chartered institution or other permanent organization having succession;
- (b) it is subject to the inspection and supervision of some governmental agency; or
- if not subject to inspection and supervision by some governmental agency, it shall submit an independent detailed audit of its books made by an accountant satisfactory to

the Administrator and reflecting a condition satisfactory to him, and also, so long as its approval as a mortgagee continues, shall file with the Administrator similar audits at least once in each calendar year and submit at any time to such examination of its books and affairs as the Administrator may require, and comply with any other conditions that the Administrator may impose;

(c) its principal activity is lending on or investing in mortgages, funds which are under its own control; and it has sound capital funds properly proportioned to its liabilities and to the character and extent of its operations, which funds shall be of a value of not less than one hundred thousand dollars (\$100,000): provided, that this qualification and condition as to the minimum amount of capital funds shall not apply,

(1) to an institution or other permanent organization subject to the inspection and supervision of some governmental agency, or

(2) to an institution or other permanent organization that establishes to the satisfaction of the Administrator that it is a duly authorized loan correspondent of, and if its approval is requested by, an approved mortgagee or assignee which lends on, or invests in, mortgages on a national scale and is subject to the inspection and supervision of some governmental agency, on the condition that the termination of its relationship as such correspondent will be cause (subject to the provisions of subsection (6) of this section) for withdrawal of its approval as an approved mortgagee and on the further condition that the correspondent institution and the institution for which it is authorized to act shall agree to promptly notify the Administrator of the termination of such relationship; and

(d) if it is not subject to the inspection and supervision of some governmental agency, it shall submit an agreement in writing: (1) that so long as it continues to be approved as a mortgagee, it will not issue any mortgage participating certificates on which it assumes personal liability, or issue any guaranty with respect to principal or interest of any mortgage, except that any such obligations outstanding on the date of the application of such institution may thereafter be renewed; and (2) that it will segregate all monthly payments under mortgages insured by the Administrator, received by it on account of ground rents, taxes, assessments, and insurance premiums, and will deposit such funds in a special account, or accounts, with some banking institution which is subject to the inspection and supervision of some governmental agency and shall use such funds for no purpose other than that for which they were received.

5. Approval as a mortgagee under this section, of a banking institution or trust company which is subject to the inspection and supervision of some governmental agency, shall be deemed to constitute approval of such institution or company when lawfully acting in a fiduciary capacity in investing fiduciary funds which are under its individual or joint control. Any instrument creating such fiduciary relationship shall be irrevocable and shall provide that upon termination or distribution, any insured mortgages held in the fiduciary estate shall be disposed of to a mortgagee approved under this or the succeeding section.

Nothing in this section shall be construed to permit the sale to the general public of instruments representing the beneficial interest in all or part of one or more insured mortgages.

6. Approval of an institution as a mortgagee may be withdrawn at any time by notice from the Administrator. In the discretion of the Administrator, the transfer of an insured mortgage to a mortgagee not approved to act under this or the succeeding section, or the failure of a mortgagee not subject to the inspection and supervision of some governmental agency, to segregate all funds received from mortgagors on account of ground rents, taxes, assessments and

insurance premiums, and to deposit such funds in a special account, or accounts, with some banking institution which is subject to the inspection and supervision of some governmental agency, or the use of such funds for any purpose other than that for which they were received will be cause for withdrawal of approval. Withdrawal of approval will in no case affect the insurance on mortgages theretofore accepted for insurance.

Section II. Approval of Acceptable Assignees

1. The Administrator will upon application approve a chartered institution or other permanent organization as an acceptable assignee if such institution or organization meets the following conditions to the satisfaction of the Administrator:

- (a) it is a corporation or other permanent organization having succession;
- (b) it has sound capital funds of not less than \$100,000;
- (c) it is subject to the inspection and supervision of some governmental agency;
- (d) its investments in mortgage loans are intended for its own portfolio; and
- (e) its facilities are such that it will be able properly to service mortgages held by it.

2. Such an acceptable assignee shall be entitled to acquire insured mortgages from approved mortgagees by assignment after the execution and insurance of such mortgages, and to hold such mortgages without invalidating the insurance thereof, and to service them while so held. An acceptable assignee is not authorized to initiate insured mortgage loans originally or to apply for the insurance of mortgages under Section 203 (a) of the National Housing Act; but shall in all other respects be considered as included in the term "mortgagee" as used in these Administrative Rules and the Regulations of the Federal Housing Administrator.

3. Approval of an institution as an acceptable assignee may be withdrawn at any time by notice from the Administrator. Except in individual cases, approved by the Administrator, transfer of an insured mortgage to a mortgagee not approved to act under this or the preceding section will be cause for withdrawal of approval. Withdrawal of approval will in no case affect the insurance on mortgages theretofore accepted for insurance.

Section III. Application for Insurance

1. Any approved mortgagee may submit an application for insurance of a mortgage about to be executed, or of a mortgage already executed, if offered for insurance within one year from the date of execution.

2. The application must be made upon a standard form prescribed by the Administrator.

3. The application must be accompanied by the mortgagee's check for a sum computed at a rate of three dollars (\$3) per thousand dollars (\$1,000) of the original principal amount of the mortgage loan to be insured, to cover the costs of appraisal by the Administrator, but in no case shall such sum be less than ten dollars (\$10). If an application is refused without an appraisal being made by the Administrator, the fee will be returned to the applicant.

If, after insurance, the amount of an insured mortgage is increased either by amendment or by the substitution of a new insured mortgage the fee herein provided for shall be based upon the amount of such increase but in no case shall be less than ten dollars (\$10).

The Administrator may agree on fees different from those fixed in this subsection in cases where substantially all residential mortgages and real estate owned or held by an approved mortgagee are examined for mortgage insurance as one operation.

Section IV. Eligible Mortgages

To be eligible for insurance—

1. The mortgage must be executed upon a form approved by the Administrator for use in the jurisdiction in which the

property covered by the mortgage is situated, by a mortgagor with the qualifications hereinafter set forth in Section V, must be a first lien upon property that conforms with the property standards prescribed by the Administrator, and the entire principal amount of the mortgage must have been disbursed to, or for the account of, the mortgagor.

2. The mortgage should involve a principal obligation in an amount of one hundred dollars (\$100) or multiples thereof but must not exceed sixteen thousand dollars (\$16,000) and must not exceed eighty per centum (80%) of the appraised value of the property as of the date the mortgage is insured.

3. The mortgage must have a maturity satisfactory to the Administrator, not to be less than three (3) nor more than twenty (20) years from the date of its execution as shown by the instrument, and should come due upon the first day of a month.

4. The mortgage may bear interest at such rate as may be agreed upon between the mortgagee and the mortgagor, but in no case shall such interest rate be in excess of five per centum (5%) per annum. Interest shall be payable in monthly installments on the principal then outstanding.

5. The mortgage must contain complete amortization provisions satisfactory to the Administrator, requiring monthly payments by the mortgagor not in excess of his reasonable ability to pay as determined by the Administrator. The sum of the principal and interest payments in each month shall be substantially the same. The period during which amortization payments are made should be an exact number of years, or nineteen (19) years and six (6) months.

6. The mortgage may require the mortgagor to pay to the mortgagee an annual service charge at such rate as may be agreed upon between the mortgagee and the mortgagor, but in no case shall such service charge exceed one-half of one per centum ($\frac{1}{2}\%$) per annum upon outstanding monthly balances. Any such service charge shall be payable in monthly installments.

7. The mortgage may provide for monthly payments by the mortgagor to the mortgagee of an amount equal to one-twelfth ($\frac{1}{12}$) of the annual mortgage insurance premium payable by the mortgagee to the Administrator. Such payments shall continue only so long as the contract of insurance shall remain in effect. The mortgage should provide that upon the payment of the mortgage before maturity, the mortgagor shall pay the premium charge referred to in Article III, Section 2, of the Regulations.

In the case of building and loan associations in the Commonwealth of Pennsylvania the mortgage may provide for monthly payments by the mortgagor of an amount equal to one-twelfth ($\frac{1}{12}$) of three-fourths of one per centum ($\frac{3}{4}\%$) annually of the original mortgage obligation, in lieu of the service charge and the payments to put the mortgagee in funds to pay the mortgage insurance premium, provided for in subsection 6 and the first paragraph of this subsection.

8. The mortgage shall provide for such equal monthly payments by the mortgagor to the mortgagee as will amortize the ground rents, if any, and the estimated amount of all taxes, special assessments, if any, and fire and other hazard insurance premiums, within a period ending one month prior to the dates on which the same become delinquent. The mortgage shall further provide that such payments shall be held by the mortgagee in a manner satisfactory to the Administrator, for the purpose of paying such ground rents, taxes, assessments, and insurance premiums, before the same become delinquent, for the benefit and account of the mortgagor. The mortgage must also make provision for adjustments in case the estimated amount of such taxes, assessments, and insurance premiums shall prove to be more, or less, than the actual amount thereof so paid by the mortgagor.

9. All monthly payments to be made by the mortgagor to the mortgagee as hereinabove provided, in subsections 4 to 8, inclusive, shall be added together and the aggregate amount thereof shall be paid by the mortgagor each month

in a single payment. The mortgagee shall apply the same to the following items in the order set forth:

- (a) premium charges under the contract of insurance;
- (b) service charge, if any;
- (c) ground rents, taxes, special assessments, and fire and other hazard insurance premiums;
- (d) interest on the mortgage; and
- (e) amortization of the principal of the mortgage.

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the mortgagor prior to the due date of the next such payment, constitute an event of default under the mortgage.

10. The mortgage may provide for a charge by the mortgagee of a "late charge", not to exceed two (2) cents for each dollar of each payment more than fifteen (15) days in arrears, to cover the extra expense involved in handling delinquent payments.

11. The mortgagor must pay to the mortgagee, upon the execution of the mortgage, a sum that will be sufficient to pay the ground rents, if any, and the estimated taxes, special assessments, and fire and other hazard insurance premiums for the period beginning on the date to which such ground rents, taxes, assessments, and insurance premiums were last paid and ending on the date of the first monthly payment under the mortgage and may be required to pay a further sum equal to one annual mortgage insurance premium, plus one-twelfth of such sum.

12. The mortgagee may charge the mortgagor the amount of the appraisal fee provided for in subsection 3 of Section III and an initial service charge to reimburse itself for the cost of closing the transaction. Such service charge shall not exceed one per centum (1%) of the original principal amount of the mortgage or a charge of twenty dollars (\$20), whichever is the greater, except that in cases of property under construction or to be constructed where the mortgagee makes partial disbursements and inspections of the property during the progress of construction, such initial service charge may be in an amount not in excess of two and one-half per centum (2½%) of the original principal amount of the mortgage or a charge of fifty dollars (\$50), whichever is the greater.

13. In addition to the charges hereinbefore mentioned, the mortgagee shall collect from the mortgagor only recording fees and such appraisal fees and cost of title search as are approved by the Administrator. Nothing in this and the preceding subsection shall be construed as prohibiting the mortgagor from dealing through a broker, who does not represent the mortgagee, if he prefers to do so, and paying the broker such compensation as is satisfactory to the mortgagor.

14. The mortgage must be executed with respect to a project which, in the opinion of the Administrator, is economically sound.

Section V. Eligible Mortgagors

1. A mortgagor must establish that after the mortgage offered for insurance has been recorded, the mortgaged property will be free and clear of all liens other than such mortgage and that there will not be outstanding any other unpaid obligation contracted in connection with the mortgage transaction or the purchase of the mortgaged property, except obligations which are secured by property or collateral owned by the mortgagor independently of the mortgaged property.

2. A mortgagor must establish that the periodic payments required in the mortgage submitted for insurance bear a proper relation to his present and anticipated income and expenses.

3. A mortgagor must have a general credit standing satisfactory to the Administrator.

4. A mortgagor is not restricted as to place of residence and need not be the occupant of the property covered by the mortgage.

Section VI. Eligible Properties

1. A mortgage to be eligible for insurance must be on real estate held in fee simple, or on leasehold under a lease for not less than ninety-nine (99) years which is renewable, or under a lease with a period of not less than fifty (50) years to run from the date the mortgage is executed.

2. At the time a mortgage is insured there must be located on the mortgaged property a dwelling unit designed principally for residential use for not more than four families. Such unit may be connected with other dwellings by a party wall or otherwise.

3. The buildings on the mortgaged property must conform with the standards prescribed by the Administrator.

4. The mortgaged property, if otherwise acceptable to the Administrator, may be located in any community where the housing standards meet the requirements of the Administrator.

Section VII. Effective Date

These Administrative Rules are effective as to all mortgages on which a commitment to insure is issued to an approved mortgagee on or after October 1, 1937.

Issued at Washington, D. C., September 15, 1937.

[SEAL]

STEWART McDONALD,
Federal Housing Administrator.

REGULATIONS OF THE FEDERAL HOUSING ADMINISTRATOR FOR MUTUAL MORTGAGE INSURANCE UNDER TITLE II OF THE NATIONAL HOUSING ACT

Article I

These Regulations may be cited and referred to as "Regulations of the Federal Housing Administrator for Mutual Mortgage Insurance, dated November 1, 1934, as amended October 1, 1937."

Article II. Definitions

As used in these Regulations—

1. The term "Administrator" means the Federal Housing Administrator.

2. The term "Act" means the National Housing Act.

3. The term "mortgage" means such a first lien upon real estate as is commonly given to secure advances on, or the unpaid purchase price of, real estate under the laws of the jurisdiction where the real estate is situated, together with the credit instruments if any, secured thereby.

4. The term "insured mortgage" means a mortgage accepted by the Administrator for insurance.

5. The term "mortgagor" means the original borrower under a mortgage and his heirs, executors, administrators, and assigns.

6. The term "mortgagee" means the original lender under a mortgage and its successors and such of its assigns as are approved by the Administrator.

7. The term "contract of insurance" means the endorsement of the Administrator upon the credit instrument given in connection with an insured mortgage, incorporating by reference these Regulations.

Article III. Premiums

1. The mortgagee shall pay to the Administrator an annual mortgage insurance premium equal to one-half of one per centum (½%) of the original principal amount of the mortgage, the first such premium to be paid on the date on which such insurance becomes effective by endorsement. Until the mortgage is paid in full, or the mortgaged property is acquired by the Administrator, as hereinafter set forth, or until the contract of insurance is otherwise terminated, the next and each succeeding premium shall be paid thereafter on the same date in each year as that on which the mortgage, by its original terms, is to mature, and the amount of the premium payment for the second year will be adjusted so as to accord with such payment date.

2. In the event that the principal obligation of any mortgage accepted for insurance is paid in full prior to maturity, the mortgagee shall within thirty (30) days thereafter notify the Administrator of the date of prepayment and shall collect from the mortgagor and pay to the Administrator a prepayment premium charge of one per centum (1%) of the original principal amount of the prepaid mortgage, except that if at the time of such prepayment there is placed on the mortgaged property a new insured mortgage in an amount less than the original amount of the prepaid mortgage, such prepayment premium shall be one per centum (1%) of the difference in such amounts.

In no event shall the prepayment premium exceed the aggregate amount of premium charges which would have been payable if the mortgage had continued to be insured until maturity.

No prepayment premium shall be collected by the mortgagee in the following cases:

(a) where at the time of such prepayment there is placed on the mortgaged property a new insured mortgage for an amount equal to or greater than the original principal amount of the prepaid mortgage; or

(b) where the final maturity specified in the mortgage is accelerated solely by reason of partial prepayments made by the mortgagor which do not exceed in any one calendar year fifteen per centum (15%) of the original face amount of the mortgage; or

(c) where the final maturity specified in the mortgage is accelerated solely by reason of payments to principal to compensate for (1) damage to the mortgaged property, or (2) a release of a part of such property if approved by the Administrator; or

(d) where payment in full is made of a delinquent mortgage on which foreclosure proceedings have been commenced, or for the purpose of avoiding foreclosure, if the transaction is approved by the Administrator.

Upon such prepayment the contract of insurance shall terminate.

3. In the event that the Administrator terminates, under Section 3 of Article VI, the insurance as to the group to which the insured mortgage is assigned, the mortgagee shall pay to the Administrator an amount equal to that proportion of the annual insurance premium which would otherwise have been payable for the period between the date to which the premium has been paid and the maturity date of the mortgage.

Article IV. Acceptance for Insurance

1. Upon accepting a mortgage for insurance, the Administrator shall endorse the original credit instrument in form as follows:

No. -----
Insured under the
National Housing Act
And Regulations of the
Federal Housing Administrator
For Mutual Mortgage Insurance
Dated November 1, 1934
as amended -----
FEDERAL HOUSING ADMINISTRATOR
By -----
Authorized agent
Date -----

The mortgage shall be an insured mortgage from the date of such endorsement. The Administrator and the mortgagee shall thereafter be bound by these Regulations with the same force and to the same extent as if a separate contract had been executed relating to the insured mortgage, including the provisions of these Regulations and of the National Housing Act.

2. A number shall be inserted in each endorsement after the word "No."; and thereafter each contract of insurance may be referred to as "Contract of Insurance No. -----", inserting in such blank the number that appears in the endorsement.

3. After the words "as amended" there shall be inserted the words "October 1, 1937."

Article V. Classification of Mortgages

1. Mortgages accepted for insurance shall be so classified in groups that the mortgages in any group shall involve substantially similar risk characteristics and have similar maturity dates.

2. Premium charges received for the insurance of any mortgage, the receipts derived from the property covered by the mortgage and claims assigned to the Administrator in connection therewith, and all earnings on the assets of the group account shall be credited to the account of the group to which the mortgage is assigned.

3. The principal of, and interest paid or to be paid on, debentures issued in exchange for any property, payments made or to be made to the mortgagee and mortgagor, and expenses incurred in the handling of the property covered by the mortgage and in collection of claims assigned to the Administrator in connection therewith, shall be charged to the account of the group to which such mortgage is assigned.

Article VI. Rights and Duties of an Approved Mortgagee Under the Contract of Insurance

1. Whenever the credit balance in the account of the group to which the insured mortgage has been assigned exceeds the remaining unpaid principal of the insured mortgage and all other outstanding insured mortgages assigned to the same group by an amount equal to ten per centum (10%) of the total premium payments which have theretofore been credited to such account, the Administrator shall pay to the mortgagee under the insured mortgage (whether such mortgage is in good standing or not) for the benefit and account of the mortgagor a sum equal to what the unpaid principal of the insured mortgage is, if in good standing, or would be if it were in good standing, as the case may be. Upon such payment by the Administrator the contract of insurance shall terminate.

2. The mortgagee shall accept such payment and apply it in satisfaction of the obligation of the mortgagor under the insured mortgage. If such insured mortgage is in good standing and such payment is sufficient to satisfy the obligation of the mortgagor under it in full, the mortgagee shall coincidentally deliver to the mortgagor any instrument or instruments necessary or proper to discharge the insured mortgage.

3. If the credit balance in the account of the group to which the insured mortgage is assigned fails to exceed, before the first day of the month one year prior to the maturity date of the insured mortgage, the remaining unpaid principal of the then outstanding insured mortgages assigned to such group by an amount equal to ten per centum (10%) of the total premium payments which have theretofore been credited to such account, the Administrator, on the first day of the month one year prior to the maturity date of the insured mortgage and after receipt from the mortgagee of the premium provided for in section 3 of Article III, if any, shall—

(a) transfer to the general reinsurance account, an amount equal to ten per centum (10%) of the total premium charges theretofore credited to such group account; and

(b) transfer to the mortgagee, for the benefit and account of the mortgagor, such proportion of the credit balance remaining in such group account as the outstanding face amount of the insured mortgage bears to the total outstanding face amount of all insured mortgages assigned to such group.

The contract of insurance covering such mortgage shall thereupon terminate, and the mortgagee shall apply such payment against the principal of the insured mortgage.

4. If the mortgagor pays the insured mortgage in full prior to its final maturity date, and pays to the mortgagee the premium charge provided for in section 2 of Article III, if any, the Administrator shall thereupon pay over to the mortgagor such share of the credit balance of the account of the group to which the insured mortgage has been assigned as the Administrator shall determine to be equitable and not inconsistent with the preservation of the solvency of such account and of the Mutual Mortgage Insurance Fund.

5. If the mortgagor fails to make any payment, or to perform any other covenant or obligation under the mortgage, and such failure continues for a period of thirty (30) days, the mortgage shall be considered in default, and the mortgagee shall, within thirty (30) days thereafter, give notice in writing to the Administrator of such default, unless the Administrator has been notified of a previous default which remains uncured.

6. At any time within one year from the date of default the mortgagee, at its election, shall either—

(a) with, and subject to, the consent of the Administrator, acquire by means other than foreclosure of the mortgage, possession of, and title to, the mortgaged property; or

(b) commence foreclosure of the mortgage; provided, that if the laws of the State in which the mortgaged property is situated do not permit the commencement of such foreclosure within such period of time, the mortgagee shall commence such foreclosure within thirty (30) days after the expiration of the time during which such foreclosure is prohibited by such laws.

The mortgagee shall promptly give notice in writing to the Administrator of the institution of foreclosure proceedings and shall exercise reasonable diligence in prosecuting such proceedings to completion.

For the purposes of this section, the date of default shall be considered as thirty (30) days after (a) the first uncorrected failure to perform a covenant or obligation, or (b) the first failure to make a monthly payment which subsequent payments by the mortgagor are insufficient to cover when applied to the overdue monthly payments in the order in which they became due.

If after default and prior to the completion of foreclosure proceedings, the mortgagor shall pay to the mortgagee all monthly payments in default and such expenses as the mortgagee shall have incurred in connection with the foreclosure proceedings, notice shall be given to the Administrator, and the insurance shall continue as if such default had not occurred.

7. If the default is not cured as aforesaid, and if the mortgagee has otherwise complied with the provisions of section 6 of this Article, and at any time within thirty (30) days (or such further time as may be necessary to complete the title examination and perfect such title) after acquiring possession of the mortgaged property by foreclosure, or by other means in accordance with subsection (a) of section 6 of this Article, tenders to the Administrator possession of, and a deed containing a covenant which warrants against the acts of the mortgagee and all claiming by, through, or under it, conveying good merchantable title (evidenced as hereinafter provided in section 8 of this Article) to, such property undamaged by waste, fire, earthquake, flood, tornado, or subsidence cause by mining operations, and assigns (without recourse or warranty) any and all claims which it may have acquired in connection with the mortgage transaction, and as a result of the foreclosure proceedings or other means by which it acquired such property, the Administrator shall promptly accept conveyance of such property and such assignment and shall deliver to the mortgagee:

(a) Debentures of the Mutual Mortgage Insurance Fund as set forth in Section 204 (b) of the Act, bearing interest at the rate of three per centum (3%) per annum payable semi-annually on the first day of January and the first

day of July of each year, and having a total face value equal to the unpaid amount of the principal of the mortgage, as defined in Section 204 (a) of the Act (including all taxes and premiums for insurance against fire and other hazard paid by the mortgagee and interest on the unpaid principal from the date foreclosure proceedings were instituted, or the property was otherwise acquired as provided in section 6 of this Article, to the date of such delivery at the rate of three per centum (3%) per annum, less any amount received on account of interest accrued on such unpaid principal between such dates); and

(b) A Certificate of Claim in accordance with Section 204 (c) of the Act, which shall become payable, if at all, upon the sale of the property covered by the insured mortgage in accordance with Section 204 (d) of the Act. This certificate shall be for an amount which the Administrator shall determine to be sufficient to pay costs of foreclosure, or other such proceedings, including reasonable attorneys' fees, unpaid interest, cost of repairs to the property made by the mortgagee after default to remedy the waste mentioned in this section and any other amounts due under the mortgage and not covered by the amount of the debentures. Each such Certificate of Claim shall provide that there shall accrue to the holder of such certificate with respect to the face amount of such certificate, an increment at the rate of three per centum (3%) per annum.

8. Evidence of title of the following types will be satisfactory to the Administrator:

(a) a fee or owner's policy of title insurance, a guaranty or guarantee of title, or a certificate of title, issued by a title company, duly authorized by law and qualified by experience to issue such; or

(b) an abstract of title prepared by an abstract company or individual engaged in the business of preparing abstracts of title and accompanied by the legal opinion as to the quality of such title signed by an attorney at law experienced in examination of titles; or

(c) a Torrens or similar title certificate; or

(d) evidence of title conforming to the standards of a supervising branch of the Government of the United States or of any State or Territory thereof.

Such evidence of title shall be furnished without cost to the Administrator and shall be executed as of a date to include the recordation of the deed to the Administrator, and shall show that, according to the public records, there are not, at such date, any outstanding prior liens, including any past due and unpaid ground rents, general taxes, or special assessments.

If the title and title evidence are such as to be acceptable to prudent lending institutions and leading attorneys generally in the community in which the property is situated, such title and title evidence will be satisfactory to the Administrator and will be considered by him as good and merchantable.

The Administrator will not object to the title by reason of the following matters, provided they are not such as to impair the value of the property for residence purposes, or provided they have been brought to the attention of the insuring office for consideration in fixing the valuation:

(a) customary easements for public utilities, party walls, driveways, and other purposes; customary building or use restrictions for breach of which there is no reversion and which have not been violated to a material extent;

(b) such restrictions when coupled with a reversionary clause, provided there has been no violation prior to the date of the deed to the Administrator;

(c) slight encroachments by adjoining improvements;

(d) outstanding oil, water, or mineral rights, except those which include the right to sink wells or shafts on the subject property, withdraw the subjacent support, or otherwise impair the value of the property for residence purposes without payment of adequate damages.

9. In the event that the mortgagee fails to comply with the provisions of sections 6 and 7 of this Article, the contract of insurance shall thereupon terminate, and the mortgagor shall be entitled to receive a share of the credit balance of the account of the group to which the mortgage has been assigned, in such amount as the Administrator shall determine to be equitable and not inconsistent with the preservation of the solvency of such account and of the Mutual Mortgage Insurance Fund.

Article VII. Assignments

1. When the insured mortgage is transferred to another approved mortgagee, such transferee shall notify the Administrator of the acquisition of such mortgage within thirty (30) days thereof, and shall thereupon succeed to all the rights and become bound by all the obligations of the transferor under the contract of insurance; but the transferor shall be released from its obligations under the contract of insurance only upon its giving notice to the Administrator of the transfer of the insured mortgage within thirty (30) days thereof.

Whenever the insured mortgage is transferred to another approved mortgagee for the purposes of collateral only, no notice need be given to the Administrator until such collateral is foreclosed, but the transferor shall remain subject to all the obligations of the contract of insurance.

2. The contract of insurance shall terminate upon the happening of either of the following events:

(a) the acquisition of the insured mortgage by, or the pledge thereof to, any person, firm, or corporation, public or private, other than an approved mortgagee, whether individually or in trust for another; provided, that this subsection (a) shall not be applicable to a mortgage acquired or held by an approved mortgagee, which is a banking institution or trust company inspected and supervised by some governmental agency, for a trust held or administered by it in a fiduciary capacity, as long as such fiduciary relationship shall remain in effect;

(b) the disposal by an approved mortgagee of any partial interest in an insured mortgage or group of insured mortgages (whether to another approved mortgagee or otherwise) by means of a declaration of trust, or by a participation or trust certificate, or by any other device; provided that this subsection (b) shall not be applicable to any mortgage so long as it is held in a common trust fund maintained by a bank or trust company (1) exclusively for the collective investment and reinvestment of moneys contributed thereto by the bank or trust company in its capacity as a trustee, executor or administrator; and (2) in conformity with the rules and regulations prevailing from time to time of the Board of Governors of the Federal Reserve System, pertaining to the collective investment of trust funds.

Upon the termination of the insurance under this section, the mortgagor shall be entitled to receive a share of the credit balance of the account of the group to which the insured mortgage has been assigned, in such amount as the Administrator shall determine to be equitable and not inconsistent with the preservation of the solvency of such account and of the Mutual Mortgage Insurance Fund.

Article VIII. Vested Rights

Neither the mortgagee nor the mortgagor shall have any vested right in the Mutual Mortgage Insurance Fund, and

the determination by the Administrator as to the amount payable out of such fund to, or for the benefit of, the mortgagee and mortgagor under any section or sections of these Regulations shall be final and conclusive as to all parties.

Article IX. Amendments

These Regulations may be amended by the Administrator at any time and from time to time, in whole or in part, but such amendment shall not affect the contract of insurance on any mortgage already insured, or any mortgage or prospective mortgage on which the Administrator has made a commitment to insure.

Article X. Effective Date

These Regulations are effective as to all mortgages on which a commitment to insure is issued to an approved mortgagee on or after October 1, 1937. Wherever a mortgagee so desires, the provisions of any or all of these Regulations shall become a part of any contract of insurance heretofore made, except that subsections (a) and (b) of section 7 of Article VI shall apply only to those mortgages insured on or after May 28, 1935.

Issued at Washington, D. C., September 15, 1937.

[SEAL]

STEWART McDONALD,
Federal Housing Administrator.

[F. R. Doc. 37-2833; Filed, September 27, 1937; 1:13 p. m.]

FEDERAL TRADE COMMISSION.

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 25th day of September, A. D. 1937.

Commissioners: William A. Ayres, Chairman; Garland S. Ferguson, Jr., Charles H. March, Ewin L. Davis, Robert E. Freer.

[Docket No. 2743]

IN THE MATTER OF JUSTIN HAYNES AND COMPANY, INC.

ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under an Act of Congress (38 Stat. 717; 15 U. S. C. A., Section 41),

It is ordered, That William C. Reeves, an examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony in this proceeding begin on Tuesday, October 5, 1937, at two o'clock in the afternoon of that day (eastern standard time), in room 500, 45 Broadway, New York.

Upon completion of testimony for the Federal Trade Commission, the examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The examiner will then close the case and make his report.

By the Commission.

[SEAL]

OTIS B. JOHNSON, Secretary.

[F. R. Doc. 37-2886; Filed, September 27, 1937; 3:19 p. m.]

